

NOTTINGHAM CITY COUNCIL - Covid Business Grants Support Policy

- Guidance Notes and Checklist

1. INTRODUCTION

The Covid-19 pandemic is unprecedented and has had an immediate and significant impact on Nottingham City Councils economy. The Government has now provided guidance and funding for a number of grants, which the Council is administering, covering different time periods and different business sectors as follows:

Time Period	Name of fund (and allocation)	Description
14 Oct 2020 to 04 Nov 2020	Local Restrictions Support Grant (Open)	Support for businesses in the hospitality, hotel, bed & breakfast and leisure sectors that have remained open under Tier 2 restrictions, award of up to £2,100 for a 4 week period pro-rated depending on Rateable Value (RV) See section 4
30 Oct 2020 to 04 Nov 2020	Local Restrictions Support Grant (Closed)	Support for businesses in the hospitality, accommodation, beauty and leisure sectors that have legally been forced to close under Tier 3 restrictions of up to £3,000 for a 4 week period pro-rated depending on RV.
05 Nov 2020 to 02 Dec 2020	Local Restrictions Support Grant (Closed)	Support for businesses that have legally been forced to close under the conditions of the national lockdown of up to £3,000 for a 4 week period.
01 Nov 2020 to 04 Nov 2020	Local Restrictions Support Grant (Sector)	Support for businesses that were required to close in March and which have never been able to re-open (for example nightclubs) of up to £3,000 for a 4 week period pro-rated depending on RV. This is a very specific cohort.
05 Nov 2020 ongoing	Additional Restrictions Grant (ARG)	Support for businesses affected by reduced trading conditions experienced during national lockdown. Focusing on the hospitality, accommodation, beauty and leisure sectors, non-essential retail and their supply chains including self-employed, homebased workers and micro businesses incurring fixed costs. See section 3

Further detail on the various schemes and guidance with regards to the applications process are given below.

Wednesday 14 October 2020 - Nottinghamshire was placed in the High alert level (**Tier 2**). This introduced restrictions on social mixing in certain circumstances. For this period of time there is a **Local Restrictions**

Support Grant (Open) for businesses in the worst effected sectors that remained open until 4 November detailed in Section 3.

Friday 30 October – On Wednesday 28 October 2020, the Government announced that in order to reduce rising infection rates in Nottinghamshire, Nottingham City was placed into a Very High alert level (**Tier 3**) which came into force on Friday 30 October 2020. For those businesses forced to close under this restriction a **Local Restrictions Support Grant (Closed)**, for those businesses that continued to trade legally but incurred reduced trading due to restrictions a claim can be made under **Local Restrictions Support Grant (Open)**.

From Thursday 5 November 2020 all social mixing indoors and in private gardens is prohibited and certain businesses closed. These are pubs and bars, gyms and leisure centres, betting centres, amusement arcades, adult gaming centres, bingo halls, bowling alleys, casinos, play areas (including soft play areas), museums & galleries, businesses operating in the hair and beauty sector along with other non-essential retailers (as defined in **Appendix A**). For those businesses forced to close under this restriction a **Local Restrictions Support Grant (Closed)** is available.

As a direct response to the existing challenges facing the above sectors and the new measures imposed by Government, Nottingham City Council is issuing the ARG to support micro and small businesses in the hospitality, accommodation, beauty and leisure sector including their supply chains.

All grants will be allocated quickly and efficiently-subject to the application being compliant with all the necessary supporting evidence being provided- It is essential that bank details provided are correct.

Table 1 below outlines the support that is available to businesses through the government’s support scheme.

TABLE 1: Business support detail	
Government Support (For information)	<ul style="list-style-type: none"> • Business rates relief • Protected from eviction to Jan 2021 • Self-employed scheme extended to March 2021 • The furlough scheme has been extended until March 2021
Local Restriction Support Grants	<p>Local Restrictions Support Grant (Open) - for certain businesses that could remain open under Tier 2 and Tier 3 restrictions (for further details regarding the sectors this covers - see section 3 below):</p> <p>An eligible business may receive a one off payment if the business occupies a property with a rateable value as follows:</p> <ul style="list-style-type: none"> • up to £934 if RV up to £15,000 • up to £1,400 if RV is £15,001 to £51,000 • up to £2,100 if RV over £51,000 <p>If the applicable period for the grant is less than 28 days the Council will pro-rata the grant accordingly</p> <p>Local Restrictions Support Grant (Closed) -for businesses forced to close due to COVID restrictions under Tier 3 or national lockdown conditions:</p>

	<ul style="list-style-type: none"> • Eligible businesses with a rateable value of less than £15,000, the business will receive a cash grant of £1,334 for each 4-week period the business is closed • Eligible businesses with a rateable value of between £15,000 and less than £51,000, the business will receive a cash grant of £2,000 for each 4-week period the business is closed • Eligible businesses with a rateable value of £51,000 or above the business will receive a cash grant of £3,000 for each 4-week period the business is closed. • Grants will be based on the rateable value of the property on the first full day of local lockdown restrictions. • Grants will be paid four weekly under the conditions of a national lockdown, and every two weeks under localised tier 3 conditions. If the applicable period for the grant is different the value of the award will be pro-rata'd accordingly <p>Local Restrictions Support Grant (Sector) - businesses that were required to close in March and which have never been able to re-open (for example nightclubs) will be paid grants of up to £3,000 for every four-week period that they have to remain closed. There is no back-dating of the scheme, with payments applicable from 1 November 2020.</p>
<p>Additional Restrictions Grant (ARG)</p>	<p>An eligible business may receive (subject to the availability of funds) a one off payment if the business occupies a property with a rateable value (or if there is no rateable value a proxy such as annual rent) as follows:</p> <ul style="list-style-type: none"> • £1,000 if RV or annual rent up to £15,000 • £2,500 if RV or annual rent is £15,001 to £51,000 • £3,000 if RV or rent is over £51,000 <p>If you do not wholly occupy a property listed for business rates (i.e. not liable for business rates) and are not charged a fixed property charge but still incur premise costs you may be entitled to a fixed grant of:</p> <ul style="list-style-type: none"> • £1,000 if you have been forced to close your business due to COVID restrictions and temporarily ceased trading or • £500 if you are still operating.

The ARG applies initially for a 28 day period. If the lockdown arrangements are extended and additional Government funding is made available you will not be asked to re-apply and pro-rata payments will be made subject to the amount of Government Funding being made available. It is the responsibility of the applicant to inform us of any changes to their original application, taking into account the requirements in section 4 below to not provide misleading information.

The Local Restrictions Support Grants (both Open and Closed) apply from when the Council is informed of its 'tier status' as a result of Covid. All grants are subject to sufficient government funding being made available and are capped at the respective funding levels.

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. Any payments made outside of the payment cycles will be pro-rata'd accordingly.

2. PAYMENT OF THE LOCAL RESTRICTIONS SUPPORT GRANTS AND ARG

For businesses that are continuing to trade and those that are compulsorily closed the ARG will be paid in one instalment. Local Restrictions Grants will be paid over the duration that local restrictions are in place.

All grant payments are subject to the satisfactory receipt of:

- confirmation that the business is able to accept the grant under State Aid regulations
- confirmation of whether the business is still open for visiting members of the public or has been forced to close by government or by further locally agreed mandated closure.
- proof of rent payments made (in the absence of wholly occupying a property listed as rateable by the Valuation Office Agency).
- All declarations are provided.

3. LOCAL RESTRICTIONS SUPPORT GRANT (OPEN)

The Government has announced that each authority will receive a fund to distribute based on business properties in the hospitality, hotel, bed & breakfast and leisure sectors to support businesses that have not been legally required to close but are severely impacted by Tier 2 or Tier 3 restrictions (note this is not applicable during periods of national lockdown).

The grants will only be distributed to businesses operating from properties listed as being chargeable for business rates by the Valuation Office Agency, that are open to visiting members of the public within the following sectors:

Hotels
Bed & Breakfast
Indoor leisure facilities
Public Houses
Restaurants

Please note this list is not exhaustive and the Council reserves the right to amend the list at its own discretion and it will be the final arbiter of the definitions contained above.

Any payment relating to the Local Restrictions Support Grant (Open) will be subject to the current State Aid limits and should be classified as a taxable income.

2. ADDITIONAL RESTRICTIONS GRANT

a) PRIORITY AREAS

The amount of funding available under the ARG is not expected to meet the demand from businesses, and unfortunately not all applicants will be successful. Therefore, in determining the eligibility criteria, we have sought to balance the number of businesses we can support with the priority areas of the Council and the overall amount of money that is available.

In administering the grant, the Council will adopt the following priorities:

- i. Providing the greatest assistance to those eligible micro and small businesses;
- ii. Providing support to as many businesses as possible within the available financial resource;
- iii. Delivering a grant application which is simple, straightforward and makes decisions as quickly as possible and
- iv. To ensure that there is proper due diligence and fraud and error is avoided.

b) OVERVIEW OF THE ARG

The ARG will:

- support businesses in meeting operational premise costs;
- help businesses maintain the necessary Covid secure measures which will still be necessary post lockdown.

It is available both to eligible businesses that plan to continue operating and to those that are required to close for the period of these restrictions (at least four weeks).

c) ELIGIBILITY CRITERIA FOR ARG

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

- I. Is 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.
- II. Grants will only be paid to customer facing businesses and businesses in the supply chain for selected business sectors.
- III. Occupies commercial premises that have a rateable value within the Nottingham City Council area, or if they occupy a commercial space which is not separately rated for business rates purposes pay a fixed rental cost or other premise related expenditure within the Nottingham City Council area. Note that domestic mortgage payments are not admissible as property related charges.
- IV. Was considered a 'non-essential' business during the first period of lockdown.
- V. Was trading on or before 1 October 2020 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 after the second period of lockdown.
- VI. Is not subject to enforcement action by the Police or a Regulatory Authority for an order for non-compliance with Covid-19 regulations or food hygiene standards.
- VII. Is State Aid compliant.

3. BUSINESSES THAT ARE EXCLUDED FROM ALL COVID GRANTS

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

- 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 1 October 2020, ie. not trading but not insolvent
- has ceased trading or has closed without being required to do so as part of Government and local restrictions

Businesses that have been subject to environmental health or planning enforcement prosecution since 1 April 2020 will be excluded from all discretionary grants. Buildings operated by public bodies or registered charities are also excluded from the ARG scheme.

Further, a business will be excluded from applying for a grant if, on the date it makes the application for this grant, it is counted as an "essential business" under previous Government COVID-19 regulations and/or is unlikely to have been negatively affected by Covid-19 restrictions. For example, supermarkets, takeaways, corner shops and off-licences would be ineligible for support under this scheme.

4. APPLICANT'S 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 financial hardship as a result of the COVID-19 crisis and must have an evident need for financial relief under the terms and conditions of the ARG.
- 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 may be made available to other departments/agencies for the purposes of preventing or detecting crime.
- c) Any grant received by a business must be declared to HM Revenue & Customs (HMRC) as appropriate as part of the tax return for the business. For further information, you can contact HMRC's Coronavirus (COVID-19) helpline.
- d) Any grant received by the business will be used only for the purpose intended ie. 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 an officer of the Council, including Planning, Environmental Health, Public Health and/or Trading Standards, may undertake spot checks of the premises. If there is non-compliance with regulatory requirements, the grant, or any portion of the grant, will be repayable by the business.
- g) The applicant understands that the information provided on the online form will be made available to other government departments and their agencies for the purpose of detecting and preventing crime.
- h) 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

5. THE GRANT 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 are eligible to apply. One application will cover all of the schemes.
- b) A 'grant application window' will open **on Friday 20 November 2020** and will close **on Wednesday 2 December 2020** (subject to funds being available).
- c) During this window the Council will only accept fully completed online applications and 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.
- 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, ie. 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 your application will be withdrawn. No further contact will be made.

- f) The grant is only available to businesses in the hospitality, leisure, accommodation and non-essential retail and sectors as defined in **Appendix A** (or directly part of the supply chain for the sector).
- g) Unsuccessful applicants will be advised of the outcome of an application by email. There is no right to appeal a decision.
- h) Should there be sufficient funds after the first 'window', a further 'window' may be opened or 'top-up' payments may be allocated at the Council's discretion, but this is not guaranteed.
- i) Successful applicants will be notified by email and payments will be made by BACS (payments usually takes three working days to arrive in accounts).
- j) The Council will prioritise consideration of grant applications when received and will not respond to canvassing.
- k) Canvassing any officer responsible for the execution of this grant's process or elected individual will render the applicant disqualified from this process.
- l) If the scheme is extended beyond 28 days applicants will have to advise the Council of any change of circumstances. Payment periods will be extended in accordance with changes in legislation to extend schemes and limited to further Government Funding.

6. EVIDENCE AND CHECKLIST

The Council is relying on businesses to be honest and open and to present evidence of need and eligibility as requested in the application form. 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 **Eligibility Checklist** may be used to help gather evidence.

ELIGIBILITY CHECKLIST

Information	Evidence	Comment
Applicant details	Submit information on the online application form	Your business name. 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). Your contact name and number(s). Your business trading address and postcode. Company registration number (if applicable) or self-assessment tax return and your VAT number (if VAT registered). Business Rates reference number. Proof of rental payments. Confirmation of proportion of sales that are in person/e-commerce (self declaration, proof will be requested dependent on the nature of the business)
Payment details	Your business bank account number and sort code (only provide bank account details where a BACS payment can be accepted). A copy of a business bank statement, clearly showing the	These details must match the name of the business or individual listed on the business rates bill or lease, licence or mortgage agreement

	bank account holder's name, sort code and account number and business address.	
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 Micro business must satisfy two or more of the following:</p> <ul style="list-style-type: none"> • Turnover: Not more than £632,000 • Balance sheet total: Not more than £316,000 • Number of employees: a staff headcount of not more than 10 <p>A Small business must satisfy two or more of the following:</p> <ul style="list-style-type: none"> • Turnover: Not more than £10.2 million • Balance Sheet total: Not more than £5.1 millions • Number of employees: a staff headcount of up to and including 50
Proof of rent charged (if you do not occupy a property liable for business rates as the liable party)	Proof of rent charged (for example lease agreement or rental receipt) - note mortgage payments are not considered a rent charge and are not admissible	Charge has to relate to Nottingham City Council area
Self-employed in supply chain	Provide details of how you qualify and impact to your business and Latest Tax return.	Self-declaration of micro or small business.
Evidence of eligibility under State aid rules	You will need to demonstrate this by way of self-declaration statement on the online application form. See section 12 below.	If you are unsure whether State aid applies to your business, you will need to seek independent legal advice

7. 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 agencies to confirm account validity and your identity. 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 our privacy policy.

8. 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 State Aid requirements. Any business that has reached the limits of payments permissible under the De Minimis and the UK Covid-19 Temporary State Aid Framework will not be able to receive further grant funding.

9. TAX

Grant income received by a business is taxable, therefore funding paid under the Local Restrictions Support Grant (Open or Closed) or the ARG will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

10. 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

11. 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.

Definition of non-essential retailers:

If your property is used for the sale of the following types of **goods you would be excluded from applying for this grant:**

- Food – including take-aways and alcoholic beverages.

- The following types of business are also excluded from this scheme:
 - Pharmacies/Chemists
 - Post Offices
 - Financial services (for example banks, building societies, bureaux de change)
 - Medical services (for example vets, dentists, opticians, chiropractors)
 - Professional services (for example solicitors, accountants, estate agents, letting agents)

Examples of businesses that are classed as non-essential retailers (and eligible to apply):

- Clothing stores
- Electronics stores
- Vehicle showrooms
- Travel Agents
- Betting shops
- Auction houses
- Tailors
- Car washes
- Tobacco/Vape shops

Note the majority (at least 60%) of your income/sales should normally be attributed to in-person sales of goods and not through the internet and/or telephone or be derived from services provided. You may be asked for proof of how your income is normally derived.

Please note this list is not exhaustive and the Council reserves the right to amend the list at its own discretion and it will be the final arbiter of the definitions contained above.