

## **Restart Grant 2021 policy for businesses with a business rates account on the ratings list as of 1 April 2021.**

On 3 March 2021, Government announced the introduction of grant support for non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses in England. Under the Restart Grant scheme, Local Authorities will receive funding to be allocated in one-off grants to businesses. Grants of up to £6,000 will be paid to non-essential retail business premises, to help them reopen safely. Grants of up to £18,000 will be allocated to hospitality, accommodation, leisure, personal care and gym business premises, which may open later under plans set out in the roadmap and will be more impacted by restrictions when they do reopen. The Restart Grant scheme supports businesses that are predominantly reliant on delivering in-person services for the general public in the aforementioned sectors.

The Restart Grant is a one-off grant only. The primary principle of the Restart Grant scheme is to support businesses that offer in-person services, where the main service and activity takes place in a fixed rate-paying premises, in the relevant sectors. Where a grant is issued, the business that according to Basingstoke and Deane Borough Council's records was the ratepayer in respect of the hereditament on 1 April 2021 is eligible to receive the grant.

Businesses must have been trading on 1 April 2021 to be eligible to receive funding under this scheme. For the purposes of this grant scheme, a business is considered to be trading if it is engaged in business activity. This should be interpreted as carrying on a trade or profession, or buying and selling goods or services in order to generate turnover. Fully constituted businesses in liquidation, dissolved, struck off or subject to a striking-off notice are not eligible under these conditions.

Businesses must complete an application form to supply information needed to enable the council to pay the grant, available on the council's website.

All payments will be made via BACS (as soon as practicable) and the business must provide bank details for payment, including a bank statement. An application must be completed, with information required to access the grant fund. Please note further checks may be needed to verify the business, therefore contact details must be provided.

The grant will be two separate strands depending on the type of business as follows:

### **Strand One**

The Restart Grant will support non-essential retail premises with one-off grants of up to £6,000 in Strand One of the Restart Grant. A non-essential retail business can be defined as a business that is used mainly or wholly for the purposes of retail sale or hire of goods or services by the public, where the primary purpose of products or services provided are not necessary to the health and well-being of the public.

Under this strand a business will fit into the following criteria:

- Businesses offering in-person non-essential retail to the general public.
- Businesses that were likely to have been required to cease their retail operation in the January 2021 lockdown.
- Businesses that had retail services restricted during January lockdown.
- Businesses that sell directly to consumers.

The following businesses will be excluded from strand one of the grant:

- food retailers, including food markets, supermarkets, convenience stores, corners shops, off licences, breweries, pharmacies, chemists and newsagents
- animal rescue centres and boarding facilities
- building merchants
- petrol stations, vehicle repair and MOT services
- bicycle shops
- taxi and vehicle hire businesses
- education providers including tutoring services
- banks, building societies and other financial providers
- post offices
- funeral directors
- laundrettes and dry cleaners
- medical practices
- veterinary surgeries and pet shops
- agricultural supply shops and garden centres
- storage and distribution facilities and wholesalers
- employment agencies and businesses
- office buildings
- automatic car washes
- mobility support shops

The following thresholds apply for these businesses:

- Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on 1 April 2021 will receive a payment of £2,667.
- Businesses occupying hereditaments appearing on the local rating list with a rateable value £15,001 to £50,999 on 1 April 2021 will receive a payment of £4,000.
- Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or over on 1 April 2021 will receive a payment of £6,000.

## **Strand 2**

The Restart Grant will support hospitality, accommodation, leisure, personal care and gym business premises with one-off grants of up to £18,000 in Strand Two of the Restart Grant. For the purposes of this scheme the following is the definition for the businesses who qualify;

- a hospitality business can be defined as a business whose main function is to provide a venue for the consumption and sale of food and drink
- a leisure business can be defined as a business that provides opportunities, experiences and facilities, in particular for culture, recreation, entertainment, celebratory events and days and nights out
- an accommodation business can be defined as a business whose main lodging provision is used for holiday, travel and other purposes
- a gym & sport business can be defined as a commercial or non-profit establishment where physical exercise or training is conducted on an individual basis or group basis, using exercise equipment or open floor space with or without instruction, or where individual and group sporting, athletic and physical activities are participated in competitively or recreationally
- a personal care business can be defined as a business which provides a service, treatment or activity for the purposes of personal beauty, hair, grooming, body care and aesthetics, and wellbeing

Under this strand the following businesses will fit into the criteria:

- Businesses offering in-person food and drink services to the general public.
- Businesses that provide food and/or drink to be consumed on the premises, including outdoors.
- Businesses that may provide in-person intangible experiences in addition to goods.
- Businesses that may rely on seasonal labour.
- Businesses that may assume particular public safety responsibilities.
- Businesses that may operate with irregular hours through day, night and weekends.
- Businesses that provide accommodation for 'away from home' stays for work or leisure purposes.
- Businesses that provide accommodation for short-term leisure and holiday purposes.
- Businesses that offer in-person exercise and sport activities to the general public.
- Businesses that open to members of the public paying an entry or membership fee.
- Businesses that require extensive cleaning protocols, which significantly slow down trade.
- Businesses that offer exercise classes or activities, which may mandate space and no masks etc
- Businesses that deliver in-person holistic, beauty and hair treatments.
- Businesses that provide services such as tattoos and piercings.
- Businesses that offer close-contact services, which are required to deliver the treatment.

- Businesses that offer services, treatments or activities that require social distancing and cleaning protocols, which have led to a reduction in their capacity to deliver personal care services.

The following businesses will be excluded from strand two of the grant:

- food kiosks and businesses whose main service is a takeaway (not applicable to those that have adapted to offer takeaways during periods of restrictions, in alignment with previous COVID-19 business grant schemes)
- all retail businesses,
- coach tour operators
- tour operators and telescopes
- private dwellings
- education accommodation
- residential homes
- care homes
- residential family centres
- beach huts
- home gyms
- home exercise studios
- home sports courts and home sports grounds
- businesses that only provide personal care goods, rather than services
- businesses used solely as training centres for staff, apprentices and others
- businesses providing dental services, opticians, audiology services, chiropody, chiropractors, osteopaths and other medical or health services
- including services which incorporate personal care services, treatments required by those with disabilities and services relating to mental health

The following thresholds apply for these businesses:

- Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on 1 April 2021 will receive a payment of £8,000.
- Businesses occupying hereditaments appearing on the local rating list with a rateable value £15,001 to £50,999 on 1 April 2021 will receive a payment of £12,000.
- Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or over on 1 April 2021 will receive a payment of £18,000.

If a business operates services that could be considered non-essential and also fall into another category, such as hospitality in the higher funding threshold, the main service can be determined by assessing which category constitutes 50% or more of their overall business. The main service principle will determine which threshold of funding a business receives. Businesses will need to declare which is their main service. Local Authorities will need to exercise their reasonable judgement to determine whether or not a business is eligible for grants under which funding

threshold and be satisfied that they have taken reasonable and practicable steps to pay eligible businesses and to pay them the correct amount.

The application closure date for this scheme is 30 June 2021.

## **Tax**

Grant income received by a business is taxable therefore funding paid under the Local Authority Discretionary Grants Fund will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

## **State Aid**

European Union laws restrict the amount of state funding businesses can receive. This includes government grants, loans or tax reductions. Local Restrictions Support Grants count towards your state aid allocation. The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period, which ended on 31 December 2020. The EU state aid rules that applied: 200,000Euros received over a 3 year period which covers the current financial year, running from April 2020 to March 2021, and the two preceding financial years, plus 800,000Euros received over the period March 2020 to December 2020. Further information about what constitutes state aid can be found at <https://www.gov.uk/guidance/state-aid>

On Thursday 4 March new subsidy allowances (previously state aid) were established for the COVID-19 business grants schemes. The updated scheme rules do not apply retrospectively. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. Guidance explaining the subsidies chapter of the TCA, World Trade Organisation rules on subsidies, and other international commitments can be found here:

<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities> or TCA document can be found here: [https://ec.europa.eu/info/relations-united-kingdom/eu-uk-trade-and-cooperation-agreement\\_en](https://ec.europa.eu/info/relations-united-kingdom/eu-uk-trade-and-cooperation-agreement_en)

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

- Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance. Grants may be paid in accordance with Article 3.2(4) of the TCA, which enables an applicant to receive up to a maximum level of subsidy without engaging Chapter 3 of the TCA. This allowance is 325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021 (The Special Drawing Right calculator here can be used to calculate the exchange rate on the day the subsidy is awarded:

[https://coinmill.com/SDR\\_calculator.html](https://coinmill.com/SDR_calculator.html)) . An applicant may elect not to receive grants under the Small Amounts of Financial Assistance Allowance and instead receive grants only using the below allowances available under this scheme.

- COVID-19 Business Grant Allowance. Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid in compliance with the Principles set out in Article 3.4 of the TCA and in compliance with Article 3.2(3) of the

TCA under the COVID-19 Business Grant Allowance (subsidies granted on a temporary basis to respond to a national or global economic emergency). 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 Commissions Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000.

- 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.

### **Fraud**

The council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error

All applicants' information will be shared with the Government Grants Management team to enable any fraud to be identified. All businesses will confirm this by ticking the box on the application.

### **Appeals**

There are no further appeals rights for the grant, the Council's decision is final.