



1 Background

- 1.1 As a part of the England wide lockdown (5 November 2020 – 2 December 2020) the Government has provided local authorities for funding to support local businesses. Guildford Borough Council is administering two grants. These are:
- Local Restrictions Support grant – aimed at businesses with a rateable value who are required to not trade because of the lockdown
 - Additional Restrictions Grant – for businesses that have been forced to close but are unable to access the Local Restrictions Support Grant because they do not have a separate business rates account or who have not been forced to close but are nonetheless severely impacted by the national government restrictions put in place to control the spread of Covid-19. In addition to the payment of discretionary grants local authorities can use the funding for wider business support activities. Guildford Borough Council was given an initial fund of £2,979,960 to provide support until 31 March 2022. In January 2021 the fund was increased to a total of £4,303,517. From 20 June 2021 the Council can receive an additional £902,675
- 1.2 This document sets out which businesses are entitled to apply for Additional Restrictions Grants (Discretionary Scheme) and the process for applications.
- 1.3 The fund is limited, and as such it may not be possible to help all applicants or to help applicants for an extended period.
- Grants were initially be paid for the period of national lockdown beginning 5 November 2020.
 - January 2021 the scheme has been reviewed to provide further help to sectors severely impacted by the social distancing rules and to confirm arrangement from 2 December onwards.
 - April 2021 the scheme has been reviewed following the government's announcement of the road map for businesses restarting.
 - 17 June 2021 the scheme has been reviewed to introduce deadlines for applications for the different funding periods. It will be reviewed again once we have some clarity about ongoing support given the delay in the final part of the roadmap from 21 June to 19 July 2021.
 - Use of the remaining fund will be reviewed in future weeks and months and revised guidance published.

2. Additional Restrictions Grants 5 November to 2 December 2020 All applications to be received by 21 June 2021.

- 2.1. The following types of businesses will be eligible for grants from this funding pot during the national lockdown 5 November to 2 December 2020:
- 2.1.1 Ratepayers with a business that has not been mandated to close which are in the supply chain to the
- hospitality and leisure sector
 - travel, holiday and airline sector
 - cultural, arts and tourism sector

- 2.1.2 Businesses that share rated premises, but are not the ratepayer, where the business has been mandated to close or the business is in the supply chain to the
- hospitality and leisure sector
 - travel, holiday and airline sector
 - cultural, arts and tourism sector

2.1.3 Bed and Breakfast businesses where Council Tax is paid by the proprietor.

2.1.4 Businesses that do not have a rateable value but have been mandated to close and have high business related property costs (e.g. rent or service charges).

- 2.1.5 Council Tax payers operating a business from home that has not been mandated to close and is in the supply chain to the
- hospitality and leisure sector
 - travel, holiday and airline sector
 - cultural, arts and tourism sector

2.2. Additional eligibility:

2.2.1 The Additional Restrictions Grants Fund is for businesses that are not eligible for other support schemes.

2.2.2 Businesses need to have been trading on 5 November 2020.

2.2.3. Companies that are in administration, are insolvent or where a striking off notice has been made are not eligible for funding under this scheme.

2.2.4 Businesses that have not been mandated to close, or cannot demonstrate that they are part of a relevant supply chain will not be eligible for this scheme.

2.2.5. Apart from Bed and Breakfast premises or those satisfying criteria 2.1.4 and 2.1.5 businesses operating from premises without a rateable value or with a zero rateable value will not be eligible for this scheme. The rateable value used will be the one on the Local Rating List at 5 November 2020.

2.3 Evidence required for the Discretionary Grants application

For an application to be considered, we require businesses to demonstrate that they meet the eligibility criteria stated above. Applicants need to provide:

- references from their rate demand (or their Council Tax bill), or details of the ratepayer (where premises are shared)
- confirmation of the proportion of a shared property that is occupied by the business
- proof of rent and service charges where a property is shared, or there is no rateable value
- where the business is part of a supply chain an explanation of which supply chain and how this affects the business.
- an image of their bank account, showing account name, number and sort code
- their company number, charity number and VAT registration number if they apply
- information on any funds received through state aid or a declaration that the level of funds received does not exceed the limits.

2.4 How much funding will be awarded?

Grant funding will be linked to the grant sums being provided through the Local Restrictions Support Grant (Closed) for the National Lockdown period.

The rate of payment will be:

- For properties with a rateable value of £15k or under (and for Bed and Breakfast premises paying Council Tax, and supply chain businesses paying Council Tax), £1,334 per four weeks;
- For properties with a rateable value of over £15k and below £51k, £2,000 per four weeks;
- For properties with a rateable value of £51k or over, £3,000 per four weeks;
- For shared properties where the applicant is not the ratepayer the award will be determined taking account of the rateable value of the premises and the proportion occupied by the applicant;
- For businesses without a rateable value that have been mandated to close, the award will be determined taking account of the value of the rent and service charges. The award will be either £1,334, £2,000 or £3,000 per four weeks.

2.5 The Application Process

2.5.1 Applications will be made online at <https://www.guildford.gov.uk/article/23827/Business-rate-payers-help>

2.5.2. Before any payments are made, pre-payment checks will be undertaken to confirm eligibility.

3. **Additional Restrictions Grants 2 December 2020 to 31 March 2021**

All applications to be received by 21 June 2021.

3.1 During any period that the property is subject to Tier 2 or 3 restrictions it may be eligible for a Local Restrictions Support Grant (OPEN) payment. This is a discretionary grant scheme for businesses that remain open but are severely affected by the tier restrictions. Please see separate guidance. Funding is aimed at Hospitality, Hotel, Bed & Breakfast and Leisure Businesses. Applications for this scheme closed on 31 March 2021. Where an application is received after this date and the criteria are met, an ARG fund payment will be made instead.

The rate of payment for the Local Restrictions Support Grant (OPEN) is:

- For properties with a rateable value of £15k or under £467 per 14 day period;
- For properties with a rateable value of over £15k and below £51k, £700 per 14 day period;
- For properties with a rateable value of £51k or over, £1,050 per per 14 day period;
- For shared properties where the applicant is not the ratepayer the award will be determined taking account of the rateable value of the premises and the proportion occupied by the applicant;

3.2 On 20 December 2020 Guildford Borough entered Tier 4, and on 5 January 2021 a further national lockdown. During these periods Additional Restrictions Grants will be available as per the criteria set out in section 2 of this document.

The rate of payment is:

- For properties with a rateable value of £15k or under (and for Bed and Breakfast premises paying Council Tax, and supply chain businesses paying Council Tax), £1,334 per four weeks;

- For properties with a rateable value of over £15k and below £51k, £2,000 per four weeks;
- For properties with a rateable value of £51k or over, £3,000 per four weeks;
- For shared properties where the applicant is not the ratepayer the award will be determined taking account of the rateable value of the premises and the proportion occupied by the applicant;
- For businesses without a rateable value that have been mandated to close, the award will be determined taking account of the value of the rent and service charges. The award will be either £1,334, £2,000 or £3,000 per four weeks.

3.3 Grants will be topped up to be a double rate for the following businesses as they face specific difficulties:

3.3.1 Ratepayers with a business that has not been mandated to close which are in the supply chain to the

- hospitality and leisure sector
- travel, holiday and airline sector
- cultural, arts and tourism sector

3.3.2 Businesses that share rated premises, but are not the ratepayer, where the business is in the supply chain to the

- hospitality and leisure sector
- travel, holiday and airline sector
- cultural, arts and tourism sector

3.3.3 Council Tax Payers operating a business from home that has not been mandated to close and is in the supply chain to the

- hospitality and leisure sector
- travel, holiday and airline sector
- cultural, arts and tourism sector

3.4 The Application Process

3.4.1 We will email recipients of the 5 November lockdown grants with instructions on how to apply for further Additional Restrictions Grants, where we have evidence that they are likely to meet the criteria.

3.4.2 Where new applicants may become eligible because, for example, the type of business mandated to close has changed an application form will be made available.

3.4.3 Before any payments are made, pre-payment checks will be undertaken to confirm eligibility.

4. Additional Restrictions Lump Sum Grants

All applications to be received by 21 June 2021.

4.1 Business Grants are to help businesses with high fixed property costs, that are severely affected by the pandemic social distancing restrictions. The Additional Restrictions Fund cannot be used to create additional business rate discounts however rates are a high property cost. A lump sum grant, equal to the 2020 rate liability as it stands at the point of payment will be paid to applicants. Where applicants are joint ratepayers the grant will be proportionally reduced. Applicants must meet all the following criteria:

- a. They have been awarded an Additional Restrictions Grant for the period 5 November to 2 December 2020.
 - b. They are ratepayers with a business that has not been mandated to close which is in the supply chain to the
 - hospitality and leisure sector
 - travel, holiday and airline sector
 - cultural, arts and tourism sector
 - c. They are not in administration or insolvent, and a striking off notice has not been made.
 - d. They have not exceeded the State Aid thresholds
- 4.2 The government has announced additional lump sums for businesses during the Lockdown commencing 5 January 2021. Where applicants qualify for an Additional Restrictions Grant for the Lockdown (see section 3.2) we will pay an additional lump sum grant.

The rate of payment is:

- For properties with a rateable value of £15k or under, or where Council Tax is paid, £4000
- For properties with a rateable value of over £15k and below £51k, £6000
- For properties with a rateable value of £51k or over, £9000
- For shared properties where the applicant is not the ratepayer the award will be determined taking account of the rateable value of the premises and the proportion occupied by the applicant;
- For businesses without a rateable value that have been mandated to close, the award will be determined taking account of the value of the rent and service charges. The award will be either £4000, £6000 or £9000.

4.3 The Application Process

As recipients of the Lump Sum grants must be in receipt of an Additional Restrictions Grant for either the Lockdown commencing 5 November 2020 or 5 January 2021, we will email them for any additional information that may be needed.

5. ARG Restart Support Grants 1 April 2021 to 30 June 2021

All applications to be received by 30 June 2021, in line with the mandatory Restart Grants

- 5.1 The government has announced mandatory restart grants for ratepayers in specific sectors. The grants are no longer linked to whether a business is or is not mandated to close. Guildford Borough will provide discretionary restart grants as set out in this section. These are one off lump sum grants.
- 5.2 Businesses meeting the following criteria will be eligible for ARG Restart Support Grants
 - 5.2.1 Ratepayers that do not meet the criteria for a mandatory restart grant and are in the supply chain to the
 - hospitality and leisure sector
 - travel, holiday and airline sector
 - cultural, arts and tourism sector

- 5.2.2 Businesses that share rated premises, but are not the ratepayer, where the business is in the supply chain to the
- hospitality and leisure sector
 - travel, holiday and airline sector
 - cultural, arts and tourism sector
- 5.2.3 Bed and Breakfast businesses where Council Tax is paid by the proprietor.
- 5.2.4 Council Tax payers operating a business from home that is in the supply chain to the
- hospitality and leisure sector
 - travel, holiday and airline sector
 - cultural, arts and tourism sector
- 5.2.5 Businesses in the following sectors whether run from non-domestic or domestic premises
- group travel and tour operators
 - breweries
 - English language schools
 - personal care businesses (a business which provides a service, treatment or activity for the purposes of personal beauty, hair, grooming, body care and aesthetics, and wellbeing.)
 - personal fitness trainers
 - training and education where it is essential that the trainee is present due to the practical nature of the training and the need for specialist equipment (for example car mechanics). Excluded from this category is any form of state education.
 - wraparound childcare providers
- 5.2.6 Wholesalers, where they predominantly supply businesses mandated to close during Lockdown 3
- 5.2.7 Additional eligibility criteria applying to all paragraphs 5.2.1 to 5.2.6 inclusive:
- The Additional Restrictions Grants Fund is for businesses that are not eligible for other support schemes.
 - Businesses need to have been trading on 1 April 2021.
 - The business should be run from premises within Guildford Borough
 - Companies that are in administration, are insolvent or where a striking off notice has been made are not eligible for funding under this scheme.
 - Businesses that cannot demonstrate that they meet the criteria will not be eligible for this scheme.
- 5.3 How much will the grants be
- 5.3.2 Wholesalers meeting criteria 5.2.6
- For properties without a rateable value, or where the premises are shared and the applicant is not the ratepayer £2,667
 - For properties with a rateable value of £15k or under on 1 April 2021, £2,667
 - For properties with a rateable value of over £15k and below £51k, £4,000
 - For properties with a rateable value of £51k or over, £6,000
- 5.3.2 Businesses meeting the criteria set out in 5.2.1 to 5.2.5

These businesses may be opening later under plans set out in the roadmap and will be more impacted by restrictions when they do reopen: They have also not received the ongoing mandatory support that has been available to other businesses.

- For properties without a rateable value, or where the premises are shared and the applicant is not the ratepayer £8,000
- For properties with a rateable value of £15k or under on 1 April 2021, £16,000.
- For properties with a rateable value of over £15k and below £51k, £24,000
- For properties with a rateable value of £51k or over, £36,000

5.4 The Application Process

The government has requested that additional information is collected for ongoing grants, and additional pre-payment checks made. We will email recipients of any of the ARG grants to check eligibility and request additional information. Only once all the information has been received and checks completed will payments be made.

As ARG Restart Support Grants criteria are different to the pre 1 April ARG grants we will amend the online application form to capture the basic information for new applicants, and will supplement with an email to complete the process.

6. State Aid/Subsidy Allowances

State Aid has been replaced with Subsidy Allowances. Businesses must not exceed the allowances. More details are supplied in section 10.

7. Decision Making

- 7.1 The decision of senior officers based on the approved guidelines will be final. There is no right to appeal.
- 7.2 All decisions will be communicated to businesses by email.

8. Payments of Grant and Tax

- 8.1 All payments of grant will be made by a BACS transfer to the company or business nominated bank account.
- 8.2 Grant income received by a business is taxable therefore funding paid under the Additional Restrictions Grant will be subject to tax.
- 8.3 Only businesses which make an overall profit once grant income is included will be subject to tax.

9. Managing the risk of fraud

- 9.1 Guildford Borough Council will not accept deliberate manipulation and fraud. Any business caught falsifying their records, providing false information or declarations to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.
- 9.2 All information is subject to internal and external audit checks.

10. Subsidy Allowances

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. This does not impact the limited circumstances in which State aid rules still apply under the Withdrawal Agreement, specifically Article 10 of the Northern Ireland Protocol. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. BEIS Guidance for public authorities 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>

On Thursday 4 March new subsidy allowances were established for the COVID-19 business grants schemes, on the basis of the principles set out in Article 3.4 of the TCA.

Updated COVID-19 business grants subsidy allowances based on the TCA

The below scheme rules should be applied to applicants at the level of economic actor, which is defined as an entity or a group of entities constituting a single economic entity regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.

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.

Small Amounts of Financial Assistance 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 2021¹. 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 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).

¹ 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

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 the following conditions are met:

- a. The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and 31 March 2022, including such costs incurred in any part of that period ('eligible period');
- b. Applicants must demonstrate a decline in turnover during the eligible period of at least 30% compared to the same period in 2019. The calculation of losses will be based on audited accounts or official statutory accounts filed at Companies House, or approved accounts submitted to HMRC which includes information on the applicant's profit and loss;
- c. 'Uncovered fixed costs' means fixed costs not otherwise covered by profit, insurance or other subsidies;
- d. The grant payment must not exceed 70% of the applicant's uncovered fixed costs, except for micro and small enterprises (for the purposes of this scheme defined as less than 50 employees and less than £9,000,000 of annual turnover and/or annual balance sheet), where the grant payment must not exceed 90% of the uncovered fixed costs;
- e. Grant payments under this allowance must not exceed £9,000,000 per single economic actor. This allowance includes any grants previously received in accordance with Section 3.12 of the European Commission's Temporary Framework; all figures used must be gross, that is, before any deduction of tax or other charge;
- f. Grants provided under this allowance shall not be cumulated with other subsidies for the same costs.

An applicant must be able to provide the necessary documentation to demonstrate it is eligible for funding under this COVID-19 Business Grant Special Allowance. Local Authorities must first verify that an applicant can meet all the criteria set out under this allowance before providing further funding under this allowance.

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' on 31 December 2019. In derogation to the above, grants can be granted to micro or small enterprises (as defined above) that were already in difficulty on 31 December 2019 provided that they are not subject to collective insolvency proceedings.

Additional Note

For the avoidance of doubt, grants under the Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance may be combined for a potential total allowance of £10,935,000 (taking into account all grants previously received under the COVID-19 business grants schemes and subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).