

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

September 2021

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1. Introduction and Purpose

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 (LRSRG) or one-off grant funding under the Restart Grant (RG).

Full eligibility criteria for the Maidstone Borough Council scheme covering the further 'Top Up' allocation running until March 2022 are detailed below.

This additional funding aims to provide support to:

- 1) Businesses that have had to diversify to survive developing trends because of the pandemic, or to minimise risk and encourage growth of viable businesses within a town or rural centre,
- 2) businesses of strategic importance to the borough that are in hardship due to the pandemic,
- 3) businesses affected by seasonal trading e.g., hospitality and leisure.

Businesses will be targeted and proactively contacted to investigate what support is available to them generally before specifically being considered for a Top Up Grant award. Any business that would like to receive information on the support available or to request a meeting to identify general support available should contact ARG@maidstone.gov.uk.

If a grant is awarded Businesses must notify the Council of any changes affecting their entitlement to receive a grant. If the application is found to be fraudulent the council will look to recover any award made.

2. Which businesses will be eligible for the grant?

The basic idea of the Additional Restrictions Grant is simple – financial support for businesses severely impacted by coronavirus restrictions when most needed.

Businesses based in the Maidstone Borough which meet one of the following criteria will be considered:

Category A – Diversification & Growth of Maidstone based businesses – Includes businesses that take on new ground floor premises within a town or rural centre as a start-up, part of a viable expansion plan, or have had to shift their business model in response to new trends brought about by the coronavirus pandemic.

Category B – Strategic importance – If a business has significant impact to the local or circular economy and is suffering hardship. This can be assessed considering losses on factors such as size of the business, fixed costs, number of employees.

Category C – Resilience Fund – Targeted at hospitality and leisure businesses who have been significantly impacted by the pandemic either due to seasonality of the business, or capacity issues caused by lack of consumer confidence/footfall or government-imposed restrictions and can be assessed considering losses on factors such as size of business, fixed costs, number of employees.

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. All payments will be made by 31st March 2022.

Award levels will vary according to business size, losses incurred, fixed costs, and number of employees.

Category A

The Council will aim to make awards to businesses based on the rateable value or commercial rent of the retail property taken on.

Businesses with a rateable value or otherwise pay a commercial rent of £15,000 or under will receive a one-off payment of £5,000

Businesses with a rateable value or otherwise pay a commercial rent over £15,001 will receive a one-off payment of £10,000.

Category B

The council will determine the awards made by considering the potential revenue generation for the local or circular economy, i.e. bring money into the borough or a significant spender within the borough.

This will be expected to be evidenced by demonstrating local spend or local income generation on previous events or robust plans for future events.

Category C

The council will determine the awards made by considering the seasonality of the business, ongoing costs and expected income, capacity issues caused by lack of consumer confidence/footfall or government-imposed restrictions.

This will be expected to be evidenced by submission of accounts pre, during and post covid and the award made will contribute to either the projected losses from July 2021 to July 2022, or loss of income March 2020 – July 2021, whichever is deemed to be the greater factor contributing to the hardship and lack of resilience to survive until July 2022.

4. Application process

In the first instance a diagnostic meeting will take place to gather information and to review the business support available, both financial and non-financial.

If the business is believed to be eligible for the top up grant their diagnostic assessment will be reviewed internally. If deemed eligible the business will then be given top up grant information. If the business would like to accept and confirms they are eligible in line with government guidance, then the award will be paid following collection of additional evidence and fraud and security checks.

If you would like to arrange for an initial diagnostic meeting please contact arg@maidstone.co.uk in the first instance.

5. State Aid Subsidy Allowances / Businesses in Difficulty

The EU State aid rules no longer apply to subsidies granted in the UK. From the 4th March, the EU-UK Trade and Co-operation Agreement (TCA) has set new limits to how much subsidy can be given to a business under the law and in what circumstances.

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

1. Small Amounts of Financial Assistance Allowance

A business (or single economic actor defined by the TCA) can receive up to a maximum level of subsidy equivalent to £335,000 over any period of three fiscal years.

2. The COVID-19 Business Grant Allowance

Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid under the COVID-19 Business Grant Allowance. 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.

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' (see definition) on 31 December 2019. However, grants can be granted to micro or small enterprises that were already in difficulty on 31

December 2019 provided that they are not subject to collective insolvency proceedings.

3. 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.

Please contact the Council for further advice if you believe that either state aid Subsidy Allowance 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 and award applications is delegated to the Economic Development Additional Restrictions Support Team who will ensure that a decision is notified by email as soon as is reasonably practical after the initial diagnostics interview has taken place and the suggested financial or non-financial support to help the business has been identified.

Any request to appeal 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 an appeal is delegated to the Head of Economic Development and Regeneration, in consultation with the Director of Finance and Business Improvement who will notify the applicant of the final decision in writing within 7 days with a full explanation of the reasons for the decision.