

Southampton City Council

Additional Restrictions Grant (V5) Policy – September 2021

Summary:

1. This policy describes how Southampton City Council will administer the Additional Restrictions Grant (ARG) scheme from September 2021. This is a targeted scheme with a limited budget.
2. Grants awards will **ONLY** be made to small to medium sized enterprises (SMEs), as defined or listed in Sections 3, 10 and 14. Submissions must meet the general eligibility criteria and as a 'local priority' as this is a targeted scheme. The rationale for our approach is largely described in Section 4.
3. Support will only be provided to the SMEs listed in Section 10 of this policy and meeting the following criteria:
 - Businesses that have already received support from the ARG and only those that continue to meet the criteria of this policy (V5) as listed in Section 10;
 - Those businesses, eligible for the Restart Grant scheme and did not apply;
 - Those businesses supported through the Restart Grant scheme and were directly impacted by the extension to Step 4 of the 'UK Recovery Roadmap' to the 19 July 2021.
4. This targeted scheme is predominately to support SMEs that were directly impacted by the extension to Step 4 of the 'UK Recovery Roadmap' to the 19 July 2021 and those businesses eligible for the Restart Grant scheme that had not applied by 30 June 2021. Support is offered to encourage the recovery phase in late 2021 of these businesses and continuing employment.
5. Those businesses that have already received support through the ARG and continue to meet the criteria of this policy (V5) **will not need to resubmit**. These businesses will be contacted directly to provide a declaration of continued trading without which no further support will be provided.
6. **All grant payments will be one-off payments** and no further payments will be made.

Background:

7. On Monday 23 November 2020, the Government's COVID-19 Winter Plan was published, with changes announced to the local restrictions tier system. Subsequently lock-down conditions have eased with the publication of the staged 'UK Roadmap to Recovery' in 2021.
8. Localised restrictions are legally binding, being imposed on specific Local Authority areas where the Secretary of State for Health and Social Care uses powers in Part 2A of the Public Health (Control of Disease) Act 1984, in response to the threat posed by coronavirus.
9. In the event of renewed widespread national 'lockdown' restrictions being imposed in 2021 or 2022 this final Additional Restrictions Grant scheme may close in light of any new prioritised support being provided to Local Authorities by government.

General eligibility criteria (local priorities)

10. **Under the Additional Restrictions scheme the following businesses will be eligible for support if the business meets the eligibility criteria set-out in Section 3 and below.**
 - Hospitality businesses and independent retailers that were eligible for the Restart Grant scheme being liable for business rates (NNDR) that did not apply and therefore **have not received any grant support to date. (This will be cross checked against our records.)**
 - Personal Services businesses, liable for business rates (NNDR) that were mandated to remain closed under national restrictions after the 21 June and on the 18 July 2021.
 - Businesses in the events and conference industry liable for business rates (NNDR);

- Travel agencies and travel related businesses liable for business rates (NNDR);
 - Theatres and events spaces, liable for business rates (NNDR) that were mandated under national restrictions to operate at a reduced capacity after the 21 June and on the 18 July 2021.
 - Live music venues and licenced nightclubs, liable for business rates (NNDR), that were mandated to remain closed under national restrictions after the 21 June and on the 18 July 2021.
 - Local suppliers of goods to the hospitality sector that are liable for business rates (NNDR);
 - Operators of industrial business centres for SMEs, liable for business rates (NNDR);
 - Direct suppliers of goods and services to the cruise industry that are liable for business rates (NNDR);
 - Essential suppliers to local schools that are liable for business rates (NNDR);
 - Businesses located in community or cultural facilities that are not liable for business rates (NNDR);
 - Charities and Community Interest Companies (CICs) providing learning opportunities and welfare to local residents that are liable for business rates (NNDR);
11. Companies must demonstrate clear trading activity on and after the 17 May 2021 and not be in administration or insolvent, where a striking-off notice has been made and therefore are not eligible for further support.
12. Small to medium sized enterprises (SMEs) are defined as having fewer than 50 employees and a turnover of less than £10.2m as defined in the Small Business, Enterprise & Employment Act 2015.
13. Additional, exceptional support could be provided to larger businesses, providing critical services in exceptional circumstances, with more than 50 employees, to protect jobs. An additional detailed financial appraisal will be required to determine any ongoing 'adverse or severe impacts'.
- 14. General eligibility for the Additional Restrictions scheme is also based on the following:**
- Businesses **MUST** be based in Southampton and **be registered at Companies House**;
 - Businesses must have been trading and not have ceased trading on the 17 May 2021;
 - All businesses must provide a signed declaration confirming current trading status;
 - Business must have submitted accounts to Companies House in the 12 month period prior to September 2021 and must not be dormant or subject to a striking off order;
 - Businesses must clearly evidence fixed monthly business related overheads;
 - Business must be liable for business rates and provide Business Rates (NNDR) reference number;
 - A maximum of one payment will be made per business and per property (hereditament);
 - A demonstrable fall in revenues due to the COVID 19 crisis of over 50% when compared with the same period in 2020.

Additional Priorities

15. Southampton City Council has then determined to prioritise the following due to the limited budget available and given the support already provided to the majority of local businesses.
- Priority will be shown to businesses with a greater number of employees to protect employment and those with higher fixed costs.
 - Business that were eligible for the Restart Grant scheme and did not apply before 30 June 2021 and therefore have not received any support to date.
 - Businesses that were mandated to remain closed from the 21 June and on the 18 July 2021, are prioritised under these schemes.

Payments to eligible businesses

16. Under the Additional Restrictions scheme the following **payments will be made with-in a 30 day cycle** until the scheme is closed or the budget is exhausted. This is a finite scheme with a limited budget.

- One-off £5,000 payment for micro businesses and small charity properties with less than 5 employees and / or a turnover of less than £316,000. Fixed monthly cost from £200 to £800 (excl. VAT)
 - One-off £7,000 payment for businesses with 5 to 10 employees and / or a turnover of less than £632,000. Fixed monthly property cost from £800 to £2500 (excl. VAT)
 - One-off £10,000 payment for businesses with more than 10 employees and / or a turnover from £632,000 to £10.2 million. Fixed monthly property cost over £2500 (excl. VAT)
 - Supplementary payments might be considered, budget permitting, if restrictions persist into 2022 and for those businesses directly impact by on-going restrictions.
17. For new submissions an on-line form will be available here - www.southampton.gov.uk/coronavirus-covid19/businesses via the 'Cash grants' tab. Submissions will be processed and if eligible payments will be made with-in a 30 day cycle. Successful submissions from eligible businesses will be informed and a one-off payments made via BACS.

Methodology for processing submissions and awarding grants

18. All submissions will be assessed, firstly against the general eligibility criteria and any ineligible submissions will be discounted. Only one grant will be paid each to eligible companies, to a hereditament or property.
19. The government expects that the value of grants is proportional, linked to fixed monthly business related overheads, the size of the business and a demonstrable financial impact local restrictions or an extension to restrictions such as the extension to Step 4 of the 'UK Recovery Roadmap' to the 19 July 2021.
20. If the demand for the Additional Restrictions scheme is too high given the fixed budget, then Southampton City Council reserves the right to close the scheme or to adjust grant values downward for each and every business equally, in each 30 day cycle, on a pro-rata basis, to enable as many grants to be paid as possible to eligible businesses.
21. If for any reason a determination between businesses is necessary then this will be on the basis of either employee numbers, the prioritisation criteria and / or on a measure of continuing hardship due to the C-19 'lockdown' based on lost income.

Budgeting, monitoring and reporting requirements

22. If the Additional Restrictions scheme is oversubscribed then Southampton City Council reserves the right to close the scheme, cease payments or amend the payment levels, on a pro-rata basis, to enable as many grants to be paid as possible to businesses and ensure the fund remains in budget.
23. Southampton City Council will e-mail business, stating that, by accepting the grant payment, the business confirms that they are eligible for the grant schemes.
24. Businesses will need to notify Southampton City Council immediately if they no longer meet the eligibility criteria for these payments at any point in the each 30 day cycle period.
25. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. Declarations must be completed by all business owners and will include a COVID-19 business grant subsidy allowance statement and a note on the monitoring of fraudulent activities.

26. The Government 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 recovered, as will any grants paid in error.
27. Data submitted will be shared with the Council's Revenues & Benefits team for the purposes of cross referencing against records. Data may also be shared with Government Grants Management Function and Counter Fraud Function.

Appeals

28. Due to the significant number of submissions to these schemes, the decisions on eligibility and to not award payments will not be open to a right of appeal. **The Council's decision will be final** and businesses will need to sign a declaration of acceptance on application, when making a submission.

Taxation on Grant income

29. Grant income received by a business is taxable. The Additional Restrictions Grant will need to be included as income in the tax return of the business.
30. Only businesses which make an overall profit once grant income is included will be subject to tax.