

Southwark Council

Non-domestic rates

Restart Grant scheme policy

1. Introduction

- 1.1. This policy relates to the award of grants under the Restart Grant scheme and is effective from 1 April 2021 to 31 July 2021.
- 1.2. On the 3 March 2021 the Government announced the introduction of grant support for non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses in England.
- 1.3. The support is called the Restart Grant (RG) scheme and takes the form of a one-off grant funding scheme in the 2021 financial year.

2. Qualifying criteria

- 2.1. The RG scheme is centrally prescribed but local authorities are expected to make their own determination of which businesses in their locality are eligible based on guidelines provided by Government.
- 2.2. In order to be eligible for the RG scheme, businesses must meet the following conditions:
 - 2.2.1. Businesses must have been trading on 1 April 2021;
 - 2.2.2. Businesses must occupy hereditaments appearing on the local rating list on 1 April 2021. For the purposes of this grant scheme, occupied hereditaments that are mandated to close due to COVID-19 restrictions are considered temporarily closed; and
 - 2.2.3. Businesses must primarily offer in-person services where the main service and activity takes place in a fixed rate-paying premises; and
- 2.3. Grants under this scheme are categorised under two strands:
 - 2.3.1. Non-essential retail; and
 - 2.3.2. Hospitality, leisure, accommodation, gym & sports and personal care

Strand one – non-essential retail

- 2.4. For the purposes of this scheme, 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.
- 2.5. The following criteria is used to assess eligibility for a grant under this threshold where a business:
 - 2.5.1. is offering in-person non-essential retail to the general public;
 - 2.5.2. is likely to have been required to cease their retail operation in the January 2021 lockdown;
 - 2.5.3. had retail services restricted during January lockdown; and
 - 2.5.4. sells directly to consumers.

- 2.6. For these purposes, the definition of a non-essential retail business excludes: food retailers, including food markets, supermarkets, convenience stores, corner shops, off licences, breweries, pharmacies, chemists, 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, garden centres, storage and distribution facilities, wholesalers, employment agencies and businesses, office buildings, automatic car washes and mobility support shops.

Strand two - Hospitality, leisure, accommodation, gym & sports and personal care

Hospitality

- 2.7. For the purposes of this scheme, 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.
- 2.8. The following criteria is used to assess whether a business is eligible for a grant under this threshold:
- 2.8.1. Businesses offering in-person food and drink services to the general public; and
 - 2.8.2. Businesses that provide food and/or drink to be consumed on the premises, including outdoors.
- 2.9. For these purposes, the definition of a hospitality retail business excludes: 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).

Leisure

- 2.10. For the purposes of this scheme, 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.
- 2.11. The following criteria is used to assess whether a business is eligible for a grant under this threshold:
- 2.11.1. Businesses that may provide in-person intangible experiences in addition to goods;
 - 2.11.2. Businesses that may rely on seasonal labour;
 - 2.11.3. Businesses that may assume particular public safety responsibilities; and

2.11.4. Businesses that may operate with irregular hours through day, night and weekends

2.12. For these purposes, the definition of a leisure business excludes: all retail businesses, coach tour operators, tour operators and telescopes.

Accommodation

2.13. For the purposes of this scheme, an accommodation business can be defined as a business whose main lodging provision is used for holiday, travel and other purposes.

2.14. The following criteria is used to assess whether a business is eligible for a grant under this threshold:

2.14.1. Businesses that provide accommodation for 'away from home' stays for work or leisure purposes; and

2.14.2. Businesses that provide accommodation for short-term leisure and holiday purposes.

2.15. For these purposes, the definition of an accommodation business excludes: private dwellings, education accommodation, residential homes, care homes, residential family centres and beach huts.

Gym & sports

2.16. For the purposes of this scheme, 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.

2.17. The following criteria is used to assess whether a business is eligible for a grant under this threshold:

2.17.1. Businesses that offer in-person exercise and sport activities to the general public;

2.17.2. Businesses that open to members of the public paying an entry or membership fee;

2.17.3. Businesses that require extensive cleaning protocols, which significantly slow down trade; and

2.17.4. Businesses that offer exercise classes or activities, which may mandate space and no masks etc.

2.18. For these purposes, the definition of a gym & sport business excludes: home gyms, home exercise studios, home sports courts and home sports grounds.

Personal care

- 2.19. For the purposes of this scheme, 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.
- 2.20. The following criteria is used to assess whether a business is eligible for a grant under this threshold:
- 2.20.1. Businesses that deliver in-person holistic, beauty and hair treatments;
 - 2.20.2. Businesses that provide services such as tattoos and piercings;
 - 2.20.3. Businesses that offer close-contact services, which are required to deliver the treatment; and
 - 2.20.4. 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.
- 2.21. For these purposes, the definition of a personal care business excludes: 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.

Businesses excluded from a grant payment under this scheme include

- 2.22. The proposed exclusions are not intended to be exhaustive and eligibility will be determined on a case by case basis where it is unclear.
- 2.23. Businesses that are not within the ratings system will not be eligible to receive funding under this scheme.
- 2.24. Businesses that have already received grant payments that equal the maximum permitted subsidy allowances will not be eligible to receive funding.
- 2.25. Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

3. Calculation of award

3.1. Payments under this scheme are based on the rateable value of each hereditament a business occupies.

3.2. The threshold for grant payments are:

Strand one – non-essential retail

Rateable Value	Grant value
£15,000 and under	£2,667
£15,001 - £51,000	£4,000
£51,001 and over	£6,000

Strand two – Hospitality, leisure, accommodation, gym & sports and personal care

Rateable Value	Grant value
£15,000 and under	£8,000
£15,001 - £51,000	£12,000
£51,001 and over	£18,000

3.3. Subject to grant subsidy allowance limits, businesses will be entitled to receive a grant for each eligible hereditament. So, some businesses may receive more than one grant where they have more than one eligible hereditament.

3.4. The council will not adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the 1 April 2021. In cases where it was factually clear to the council on the national restriction date that the rating list was inaccurate on that date, the council may withhold the grant and/or award the grant based on their view of who would have been entitled to the grant had the list been accurate.

4. Application process

4.1. Where possible we will identify eligible businesses and make grant payments without an application. Any business wishing to apply for a grant because it believes it may be eligible for one will be able to do so using an online form.

4.2. An authorised representative can complete an application form but payments will only be made to the confirmed bank account of the business occupying the property the application relates to.

4.3. For businesses that occupy more than one hereditament an application form needs to be completed for each one.

4.4. Any business that has not received a COVID-19 business grant before must make an application and will not receive an automatic grant payment.

4.5. The application process will ask businesses to confirm that they meet the qualifying criteria, along with confirmation that the business has not exceeded grant subsidy allowances.

4.6. The application closure date is 30 June 2021, and final payments will be made by the 31 July 2021.

4.7. The council will conduct pre-award fraud checks to mitigate against the risk of fraud and payment error to ensure the safe administration of grants.

5. Payment of grant awards

5.1. Grant payments will be awarded to qualifying businesses via bank transfer.

- 5.2. Payment will be made to the person who according to the council's records is the ratepayer in respect of the hereditament on the date of the first full day of national restrictions.
- 5.3. Where the council has reason to believe that the information that we hold about the ratepayer on the 1 April 2021 is inaccurate we may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.
- 5.4. Grant income received by a business is taxable and will need to be included as income in the tax return of the business. Only businesses which make an overall profit once grant income is included will be subject to tax.
- 5.5. Payments made to businesses before 5 April 2021 will fall into the 2020/21 tax year. Payments after 6 April 2021 will fall into the 2021/22 tax year. Unincorporated businesses will be taxed when they receive the grant income.

6. Notification of grant awards

- 6.1. The council will issue a notification of grant payment for each property the business occupies.
- 6.2. The notification will state that by accepting the grant payment, the business confirms that they are eligible for RG scheme and the business has not exceeded grant subsidy allowance limits.

7. Grant subsidy allowance

- 7.1. The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period which ended on the 31 December 2020. The UK remains bound by subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.
- 7.2. On 4 March 2021 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.
- 7.3. Grants under these 3 allowances can be combined for a potential total allowance of up to £10,935,000 (subject to exchange rates).
- 7.4. This scheme is covered by 3 subsidy allowances:
 - 7.4.1. Small Amounts of Financial Assistance Allowance – businesses allowed up to £335,000 (subject to exchange rates) over any period of 3 years;
 - 7.4.2. COVID-19 Business Grant Allowance – businesses allowed up to £1,600,000; and
 - 7.4.3. COVID-19 Business Grant Special Allowance - if the business has reached its limits 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, provided certain conditions are met.

7.5. Grants under these 3 allowances can be combined for a potential total allowance of up to £10,935,000 (subject to exchange rates).

8. Appeals process

8.1. Where an application for a RG scheme is refused, any appeal against this decision must be made in writing or via the online appeal form, together with evidence to support the reasons for the appeal.

8.2. The appeal will be considered by an officer who has not previously considered the application. The decision reached will be notified in writing within 30 days.