



Department for
Business, Energy
& Industrial Strategy

Restart Grant

Guidance for Local Authorities

April 2021



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The guidance

1. This guidance is intended to support Local Authorities in administering the Restart Grant to support businesses in their local economies as coronavirus restrictions are eased across the country.
2. This support was announced as part of the Budget on 3 March 2021. This guidance applies to England only from 1 April 2021. It is not retrospective.
3. This guidance is issued by the Secretary of State for Business, Energy and Industrial Strategy to Local Authorities in England.
4. Local Authority enquiries on this measure should be addressed to businessgrantfunds@beis.gov.uk. Businesses seeking information should refer to the Government's business support website: <https://www.businesssupport.gov.uk/>

Introduction

5. 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. See announcement: <https://www.gov.uk/government/news/budget-2021-sets-path-for-recovery>
6. This support will take the form of a one-off grant funding scheme in Financial Year 2021-2022. The scheme is called the Restart Grant (RG) and is administered by business rate billing authorities in England.
7. Local Authorities will also receive a proportion of a £425 million top-up to the Additional Restrictions Grant, details of which are included in the updated ARG guidance.
8. This document provides guidance to Local Authorities about the operation and delivery of the Restart Grant scheme.
9. Funding will be made available to all Local Authorities from 1 April 2021.
10. 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.

How much funding will be provided to businesses?

11. The Restart Grant scheme is for businesses on the ratings list only.
12. The Restart Grant is a one-off grant.
13. 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. The following thresholds apply for these businesses:
 - a. 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.
 - b. Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on 1 April 2021 will receive a payment of £4,000.
 - c. 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.
14. The Restart Grant will also 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. The following thresholds apply for these businesses:
 - a. 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.
 - b. Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on 1 April 2021 will receive a payment of £12,000.
 - c. 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.
15. Any changes to the rating list (rateable value or to the hereditament) after 1 April 2021 should be ignored for the purposes of eligibility. Local Authorities are not required to adjust, pay or recover grants where the rating list is subsequently amended retrospectively to 1 April 2021. In cases where it was factually clear to the Local Authority on 1 April 2021 that the rating list was inaccurate on that date, Local Authorities 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. This is entirely at the discretion of the Local Authority and only intended to prevent manifest errors.

16. Businesses will be eligible for this support from 1 April 2021 and Local Authorities must not make payments to businesses before this date. Subject to subsidy allowance conditions, 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.

Who will receive this funding?

General eligibility

17. Where a grant is issued, the business that according to the billing authority's records was the ratepayer in respect of the hereditament on 1 April 2021 is eligible to receive the grant. Where a Local Authority has reason to believe that the information that they hold about the ratepayer is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. Local Authorities should make clear to recipients that the grant is for the ratepayer and may be liable for recovery if the recipient was not the ratepayer on the eligible day.
18. Local Authorities will be responsible for determining whether businesses are entitled to a grant under the non-essential retail thresholds, or under the hospitality, accommodation, leisure, personal care and gym business thresholds.
19. 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.
20. Annex C gives a list of businesses that fall into scope for each sector. This list is indicative of the types of businesses, but is not exhaustive. Local Authorities will have to use their local knowledge and the definitions and criteria set out below to assist in making a decision on eligibility of a business for this scheme.
21. 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.
22. It is understood that in some cases it may not be materially clear whether a business falls into one of the categories, so decisions on the eligibility of these businesses will be at the Local Authorities discretion.
23. Businesses must have been trading on 1 April 2021 to be eligible to receive funding under this scheme.

24. 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.

25. To help further, some trading indicators are included below that can help assess what can be defined as trading for the purposes of the grant schemes. Indicators that a business is trading are:

- The business has staff on furlough
- The business continues to trade online, via click and collect services etc.
- The business is not in liquidation, dissolved, struck off or subject to a striking of notice or under notice
- The business is engaged in business activity; managing accounts, preparing for reopening, planning and implementing COVID-safe measures

This list of indicators is not exhaustive and Local Authorities must use their discretion to determine if a business is trading.

26. Local Authorities will need to run an application process for all first-time applicants for a COVID-19 business grant and must be satisfied that businesses that have previously received related grants under this scheme meet the eligibility criteria for the Restart Grant. As a minimum, Local Authorities must hold the following information on all applicants:

- a. Name of business
- b. Business Trading Address including postcode
- c. Unique identifier (preferably Company Reference Number (CRN)) if applicable. If not applicable, VAT Registration Number, Self-Assessment/Partnership Number, National Insurance Number, Unique Taxpayer Reference, Registered Charity Number will also be acceptable)
- d. High level SIC Code
- e. Nature of Business
- f. Date business established
- g. Number of employees
- h. Business rate account number (if applicable)
- i. Cumulative total of previous funding received under all COVID-19 business grants schemes

27. In addition, the application process should also enable Local Authorities to carry out the required pre-grant fraud checks (including unique identifier), as well as the minimum data reporting requirements set out in Annex A.

Strand One: up to £6,000 per hereditament

Non-essential retail

28. 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.

29. Local Authorities may use the following criteria to assess whether a business is eligible for a grant under this threshold:

- 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.

30. For these purposes, the definition of a non-essential retail business should exclude: food retailers, including food markets, supermarkets, convenience stores, corners 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: up to £18,000 per hereditament

Hospitality

31. 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.

32. Local Authorities may use the following criteria to assess whether a business is eligible for a grant under this threshold:

- 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.

33. For these purposes, the definition of a hospitality retail business should exclude: 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

34. 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 .

35. Local Authorities may use the following criteria to assess whether a business is eligible for a grant under this threshold:

- 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.

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

Accommodation

37. 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.

38. Local Authorities may use the following criteria to assess whether a business is eligible for a grant under this threshold:

- 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.

39. For these purposes, the definition of an accommodation business should exclude: private dwellings, education accommodation, residential homes, care homes, residential family centres, beach huts.

Gym & sports

40. 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.

41. Local Authorities may use the following criteria to assess whether a business is eligible for a grant under this threshold:

- 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.

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

Personal care

43. 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.

44. Local Authorities may use the following criteria to assess whether a business is eligible for a grant under this threshold:

- 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.

45. For these purposes, the definition of a personal care business should exclude: 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.

Exclusions to Restart Grant funding

46. The proposed exclusions in the list at paragraphs 30, 33, 36, 39, 42 and 45 are not intended to be exhaustive and it will be for Local Authorities to determine those cases where eligibility is unclear. Billing authorities will have a good understanding of the licensed premises in their areas and will be readily able to form a view on eligibility in the majority of cases.

47. Businesses that are not within the ratings system will not be eligible to receive funding under this scheme.
48. Businesses that have already received grant payments that equal the maximum permitted subsidy allowances will not be eligible to receive funding.
49. Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

How will the grant be provided?

50. In line with the eligibility criteria set out in this guidance, Central Government will fully reimburse Local Authorities, in line with this guidance and the grant offer letter sent to Local Authorities, for the cost of the grant (using a grant under section 31 of the Local Government Act 2003).
51. This funding will be a one-off lump sum payment from 1 April 2021. Local Authorities will be responsible for delivering the funding to eligible businesses.
52. Local Authorities will receive 90% of the estimated grant funding based on an initial Government estimate. When this threshold of funding has been spent, Government will top up funding to Local Authorities if required. To ensure efficiency and a smooth funding delivery process, unnecessary underspend should be avoided where possible.
53. Local Authorities, subject to local eligibility, will receive funding to meet the cost of payments to businesses within the business rates system based on the number of eligible hereditaments.
54. Local Authorities are business rate billing authorities in England. They are responsible for making payments to businesses and will receive funding from Government.
55. As part of their application process for the scheme, all businesses will be required to self-certify that they meet all eligibility criteria.
56. We are committed to meeting the New Burdens costs to Local Authorities for this scheme. A New Burdens assessment will be completed, and funding then provided to authorities.
57. It is expected that Local Authorities will provide local businesses with grant funding as soon as possible from 1 April 2021.
58. The application closure date for this scheme is 30 June 2021 and final payments must be made by 31 July 2021.

59. The Local Authority must call or write to the business, stating that by accepting the grant payment, the business confirms that they are eligible for the grant schemes. This includes where Local Authorities already have bank details for businesses and are in a position to send out funding immediately, or where the Local Authority is sending a cheque to a business.

Will grants be subject to tax?

60. Grant income received by a business is taxable. The Restart Grant will need to be included as income in the tax return of the business.

61. Only businesses that make an overall profit once grant income is included will be subject to tax.

62. 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.

Managing the risk of fraud and payments in error

63. The Government will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be recovered, as may any grants paid in error.

64. Local Authorities must continue to ensure the safe administration of grants and that appropriate measures are put in place to mitigate against the increased risks of both fraud and payment error. In this respect, grant administrators should supplement existing controls with digital tools to support efficient, appropriate and accurate grants awards.

65. For the avoidance of doubt, Local Authorities are required to undertake pre-payment checks for all Restart Grant payments. This is a stricter position than that taken for previous COVID-19 business support grant schemes. These checks are required to be undertaken before any payments are issued to businesses, and can be commenced in advance of 1 April 2021. This requirement is not limited to new applicants and should look at both the company and the company's bank account.

Company check

66. The Government Grants Management Function have waived the annual fee and made their digital due-diligence tool, Spotlight, available to Local Authorities to support the administration of COVID-19 emergency grants until 30 June 2021. Use of Spotlight (or an equivalent tool) or enhanced checks to support pre-award due diligence is required.

67. Spotlight complements existing pre-award due-diligence checks and highlights areas of risk to inform grant-making decisions, through fundamental (basic) due diligence checks. In particular, Spotlight can quickly and easily flag where organisations have recently become inactive to support authorities review the ongoing viability of recipients prior to making awards.
68. Spotlight can also provide enhanced due diligence, through a paid-for service, and grant administrators are encouraged to consider the benefits of enhanced due diligence. Local Authorities should discuss their digital tool requirements with the Government Grants Management Function at: spotlight-localauthority@cabinetoffice.gov.uk

Bank account check

69. The Government Counter Fraud Function has worked in partnership with Experian to introduce two new complementary products to assist public bodies in addressing residual fraud risks when dispersing funds for the COVID-19 financial support schemes by addressing their residual fraud risks. These tools will allow Local Authorities to:
- a. verify the bank accounts of companies in receipt of these business grants; and
 - b. provide insight into whether the company was trading at the relevant date for these grants.
70. These tools are available via the National Fraud Initiative (NFI) and can be used for both pre- and post-payment checks. They apply to both registered companies (at Companies House) and unregistered companies such as sole traders. For further information and to access the tools, please email helpdesk@nfi.gov.uk
71. Local Authorities can utilise the following tools (or equivalent) to undertake the required company and bank account pre-payment checks: Companies House, Experian (either directly or NFI tool), NAFN, Mint, Cifas, TransUnion “call” validate tool, Equifax Equip “report” tool, Spotlight, rent/mortgage statement or lease agreement, utility bills, building and content insurance premiums.
72. The Bank Account Verification Tool is widely available to Local Authorities, and we would recommend use of the tool to mitigate the risk of business impersonation fraud.

Pre- and post-event assurance

73. All Local Authorities are required to follow this guidance and conduct activity to provide assurance that the grants have been paid out in line with the eligibility and subsidy allowance conditions for these schemes.

74. The general principle applies that Local Authorities are responsible and accountable for the lawful use of funds under Section 151 of the Local Government Act 1972. The Section 151 Officer within the Local Authority is required to exercise their duties in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, ensuring their oversight of the proper administration of financial affairs within the Local Authority, including these grants.
75. Any funding not spent will need to be returned to BEIS within 30 days of the completion of the reconciliation exercise.
76. Local Authorities must be satisfied that all subsidy allowance conditions have been fully complied with when making grant payments.
77. To deliver this assurance requirement, Local Authorities must have pre- and post-payment assurance plans in place for this grant scheme. Local Authorities must ensure these plans are in place as soon as possible and can be provided to BEIS when requested. The plans must set out the actions and checks Local Authorities will undertake to ascertain regularity of payments. The plans need to cover the minimum two pre-payment checks (company and bank account) for grants to be paid, but also the post-payment assurance checking regime that the Local Authority will introduce to identify irregular payments. The Spotlight tool now includes the functionality to add schemes pre- or post-award.
78. In addition, Fraud Risk Assessments should also be undertaken for the grant scheme and comprise part of the assurance plan. To support Local Authorities in developing their risk assessments the Department will provide risk assessment templates tailored to the relevant funds.
79. The Government Grants Management Function and Counter Fraud Function will support Local Authorities to carry out post-event assurance work to identify high-risk payments and to estimate and measure the likely incidence of fraud and error that has occurred in the scheme. This requires statistically significant sample testing of key residual risks to assess the level of fraud / error that has arisen from the residual aspect of identified fraud risks. Post-event assurance is therefore dependent upon a detailed fraud risk assessment being undertaken for the scheme. Guidance will be made available to Local Authorities to support the development of Post Event Assurance Action Plans.
80. Where checks discover that payments have been made in error or have been claimed as a result of fraud, any initial recovery action will need to be undertaken by the Local Authority.

Monitoring and reporting requirements

81. Local Authorities must retain necessary data and BEIS will undertake regular data collection exercises with the input of Local Authorities. This reporting enables accurate monitoring, evaluation, and assurance of business support grant payments.

82. Further details on post-payment monitoring requirements are outlined in Annex A.
83. Local Authorities will be required to provide data in order to allow reporting by Parliamentary constituency. BEIS will work with Local Authorities to facilitate such reporting.
84. Local Authorities will also be required to provide a monthly report to the Department comprising an update on their Fraud Risk Assessments and pre- and post-payment assurance activities as they are delivered over the lifetime of each of these grants separately. The Department will provide a reporting template in due course.
85. If Local Authorities detect *any* fraud that is attempted or actual, whether it is local, or organised, large scale, systematic or crosses Local Authority boundaries then they must report it in real time to the dedicated inbox at NAFN National Anti-Fraud Network (intel@nafn.gov.uk). This is so Government can build up a full picture of what is going on and get vital information and alerts back to Local Authorities in real time, this also feeds into the wider intelligence network on counter fraud within Grants.
86. If a case is categorised as organised, large scale, systematic or crosses Local Authority boundaries by NAFN, they will pass the case to NATIS who investigate serious and organised fraud on behalf of BEIS.
87. Local Authorities may be contacted for further information to assist with lines of enquiry being pursued.
88. NATIS may determine that the case is not something they could pursue and will return it to the Local Authority making the original referral. In these cases, the LA should try and secure repayment from the debtor through all reasonable and practicable steps.
89. Where a Local Authority is taking the lead in investigating fraudulent activity where the attempted or suspected fraud is local (rather than organised, large scale, systematic or crosses Local Authority boundaries), they are expected to instigate the recovery of the grant themselves. If a referral is made to NAFN for consideration of investigation, where the Local Authority does not have the resources to investigate, then any attempts that have been made to recover funds, should be included in the referral to NAFN. Local Authorities may wish to pursue referral of the case to local police, however this is at their discretion.
90. A referral should still be made to NAFN where a Local Authority is investigating a suspected or actual fraud to enable NAFN/NATIS to interrogate their systems to identify any links to other cases and to identify possible links to organised crime groups.

Update to COVID-19 business grant subsidy allowance

91. 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>

92. 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 provided on the basis of the TCA

93. 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.

94. 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

95. 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.

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 Allowance

96. 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).

COVID-19 Business Grant Special Allowance

97. 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.

98. 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.

99. 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' (as defined in Annex B below) 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.

100. Local Authorities must ensure the remaining applicable provisions of the subsidies chapter of the TCA are complied with. In particular, the Transparency obligations under Article 3.7. The transparency database can be found at <https://manageuksubsidies.beis.gov.uk/>. All schemes and individual awards over £500,000 must be uploaded within six months of being granted. Any ad hoc awards of at least 325,000 Special Drawing Rights over three years to an individual beneficiary must also be uploaded within six months of being granted. For access to and any further questions on the database, please contact the BEIS subsidy control team at subsidycontrol@beis.gov.uk.

101. Local Authorities still need to comply with reporting requirements to the European Commission in respect of grants previously granted under the European Commission's Temporary Framework before the Transition Period ended on 31 December 2020.

Article 10 of the Northern Ireland Protocol

102. Grants in scope of Article 10 of the Northern Ireland Protocol remain subject to EU State aid rules², following the end of the Transition Period which ended on 31 December 2020. Article 10 provides that EU State aid rules will continue to apply to the UK in respect of measures which affect trade in goods and electricity between Northern Ireland and the European Union.

² This means grants in scope of Article 10 of the Northern Ireland Protocol must comply with the provisions set out in the 4th amendment of the State aid Temporary Framework dated 13 October 2020.

103. In assessing whether Article 10 may apply, Local Authorities are directed to Section 7 of the technical BEIS Guidance which covers the practical application of Article 10. Local Authorities applying Article 10 must follow Section 7 of the technical BEIS Guidance.

General

104. BEIS may vary the terms of these schemes or suspend or close the schemes with immediate effect, without notice and at any time.

105. 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).

Annex A – Post-payment reporting

Background

1. As part of the Post Payment reporting process, Local Authorities will be required to adhere to the following data reporting requirements:
 - a. Weekly grant spend return
 - b. Monthly data collection for evaluation

Weekly grant spend return

2. Local Authorities will be required to report to the Department on the grant fund.
3. Weekly reports will cover:
 - a. Number of businesses eligible for the scheme
 - b. Number of businesses in receipt of a grant payment
 - c. Total amount of actual payments
 - d. Issues encountered in implementing the scheme to allow BEIS to support development of solutions with Local Authorities
4. These returns should be completed using the DELTA reporting system.
5. In addition to weekly performance monitoring reports, we are likely to ask Local Authorities to provide data in order to allow reporting by Parliamentary constituency and Local Authorities should be prepared to provide this data when requested.

Process

6. Local Authorities will report on progress in making payments to eligible rate paying businesses.
7. Each report will only cover grants provided by Local Authorities to eligible businesses. The Cities and Local Growth Unit will consolidate the reports to create an accumulative total and monitor progress against the initial allocation of funding per Local Authority.

Definitions

Number of businesses eligible for the scheme	Number of businesses identified by the Local Authority as eligible for the grant payment in the relevant rateable value band.
Number of businesses in receipt of a grant payment	Number of businesses who have received a grant payment in the relevant rateable value band.
Total amount of actual payments	Total value of payments made to businesses in the relevant rateable value band.
Comments	Highlight in this box issues that Local Authorities are encountering while implementing the scheme.

Data collections for evaluation

8. Local Authorities are also required to collect information from businesses receiving these grant payments, and will be required to account for how the funding has been spent. Grant recipients should also be advised that they may be contacted for research purposes, and that their data will be shared with BEIS for research and evaluation purposes.
9. It is vitally important that we have this information centrally to allow us to understand and evaluate how the provision is working. We do this for a number of different reasons, including;
 - a. Accountability – to provide a clear and transparent basis for why this policy has been implemented, and its progress over time
 - b. Efficiency – ensuring that we are maximising the value delivered from this public spending and ensuring opportunities for analysis and learning for the future
 - c. Effectiveness – ensuring that policy makes a positive impact and understanding the context of when that happens

10. We are continuing to develop the mechanism by which Local Authorities can frequently generate and share this information with BEIS, including working with system providers, which is the most cost-effective way of collecting a wide data set. Local Authorities will need to ensure they have appropriate data protection arrangements in line with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018.
11. Local Authorities will be required to follow a 'Monthly Data Collection for Evaluation' process as part of Post Payment Reporting. The list below sets out the minimum information required from Local Authorities to be reported for the Restart Grant:
 - a. Business Rate Payer name
 - b. Hereditament address
 - c. Ratepayer email address
 - d. Size of business the grant relates to
 - e. Sector
 - f. Unique identifier (preferably Company Reference Number)
 - g. Grant awarded
 - h. Amount of grant paid
 - i. Date grant paid
 - j. Grant name
12. Further details including supporting material, guidance on the data submission timings and process, example spreadsheets, definition of terms, and applicable training will be provided to Local Authorities. BEIS will work with the Local Authorities to facilitate such requirement. Local Authorities can contact lagrants.data@beis.gov.uk for any queries.
13. The requested data provides important information that will support evaluation and further our understanding of the impact of the grants.

Annex B – Undertaking in difficulty

'Undertaking in difficulty' means an undertaking in respect of which at least one of the following circumstances occurs:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years) where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'share capital' includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years) where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria for being placed in collective insolvency proceedings at the request of its creditors.

(d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.

(e) In the case of an undertaking that is not an SME, where, for the past two years:

(1) the undertaking's book debt to equity ratio has been greater than 7.5 and

(2) the undertaking's EBITDA interest coverage ratio has been below 1.0.

Annex C – Business categorisation for the purposes of grant funding thresholds

Threshold definitions for the purposes of this scheme are restated below:

- **Non-essential retail definition:** a business that is open to the public and is used mainly or wholly for the purposes of retail sale or hire of goods or services, where the primary purpose of products or services provided are not necessary to the health and well-being of the public.
- **Hospitality definition:** a business whose main function is to provide a venue for the consumption and sale of food and drink
- **Leisure definition:** a business that provides opportunities, experiences and facilities, in particular for culture, recreation, entertainment, celebratory events, days and nights out, betting and gaming
- **Accommodation definition:** a business whose main lodging provision is used for holiday, travel and other purposes.
- **Gym & Sport definition:** a commercial 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.
- **Personal care definition:** a business which provides a service, treatment or activity for the purposes of personal beauty, hair, grooming, body care and aesthetics, and wellbeing.

This table sets out types of businesses that are eligible under the sector thresholds for this scheme. This list is not exhaustive, but indicative of the types of businesses that can be supported under this scheme.

Support type	Types of businesses	
Non-essential retail (up to £6k)	Betting offices	Auction rooms
	Departmental stores	Car auction
	Markets (other than livestock)	Car showrooms
	Sales kiosks	Car supermarkets
	Showrooms, e.g. kitchen, bathroom, tile, glazing	Car washes (standalone)
	Tobacco and vape stores	Car/caravan
	Antiques stores	Sales/display/hiring Sites
	Sales offices	Charity shops
	Travel agents	Carpet stores
	Electronic goods and mobile phone shops	Furniture shops
	Clothes shops	Sofa shops
	Book shops	Homeware shops
		Florists
		Plant nurseries

	Jewellers Stationery shops Gift shops Make-up shops	Animal groomers Sweet shops Photography studios
Hospitality (up to £18k)	Food courts Public houses/pub restaurants Restaurants	Roadside restaurants Wine bars Cafes
Leisure (up to £18k)	Bingo halls Bowling alleys Casinos and gambling clubs Cinemas Ice rinks Museums and art galleries Roller skating rings Stately homes & historic houses Theatres Zoos & safari parks Amusement parks Pleasure piers Pavilions Conference centres Exhibition centres including for use as banquet halls and other events Wedding venues Events venues Heritage railways Public halls Night clubs & discotheques Hostess bars Sexual entertainment venues Shisha bars, waterpipe consumption venues	Arenas Concert halls Go kart rinks Model villages Tourist attractions Aquaria Miniature railways Theme parks Amusement arcades including adult gaming centres Animal attractions at farms Wildlife centres Botanical gardens Circus Visitor attractions at film studios Soft play centres or areas Indoor riding centres Clubs & institutions Village halls & scout huts, cadet huts etc.
Accommodation (up to £18k)	Caravan parks Caravan sites and pitches Chalet parks Coaching inns Country house hotels Guest & boarding houses Hostels Hotels Lodges	Holiday apartments, cottages or bungalows Campsites Boarding houses Canal boats or other vessels B&Bs Catered holiday homes Holiday homes
Personal care	Spas, sauna and steam rooms	Hairdressing salons

(up to £18k)	Tanning salons Nail salons Massage centres, massage treatments Tattoo and piercing studios Holistic therapy (reflexology, massage, acupuncture)	Barbers, groomers Beauty salons Beauticians, aesthetics Other non-surgical treatments
Gyms & sport (up to £18k)	Dance schools and centres Dance studios Gymnasia/fitness suites Cricket centres Ski centres Sports and leisure centres Outdoor sports centres Outdoor adventure centres Squash courts	Tennis centres Sports courts Swimming pools Shooting and archery venues Driving ranges Water sport centres Golf courses