

Restrictions Business Fund Discretionary Grant Guidance Notes

RESTRICTIONS BUSINESS FUND DISCRETIONARY GRANT - PURPOSE OF THE GRANT

The Welsh Government has launched the Restrictions Business Fund to support businesses and sole traders that have been **directly impacted** by the additional restrictions put in place to control the spread of Covid-19 introduced during December 2020 (from the 4th for hospitality and some other sectors and more broadly from the 19th). The purpose of the grant is to provide businesses with cash flow support and to help them survive the economic consequences of the restrictions introduced. The grant seeks to complement other Covid-19 response measures to support businesses, social enterprises and charitable organisations in Wales.

The Discretionary Grant is available to all businesses required to close or significantly impacted by the restrictions. . Businesses that meet the eligibility criteria set out in this guidance document and are able to declare a 40% or more reduction in turnover as a result of the restrictions may apply.

The grant will be open to applications from the <DATE> and will close at 5pm on the <DATE> or when the fund is fully committed.

BUSINESS WALES

Business Wales provides tailored support to start-up, micro and small and medium sized businesses in Wales. The service can help you understand what your needs are and provide tailored support packages including access to online tools, workshops, specialist advisers and mentors. In addition to working with you on a business diagnostic and action plan, our advisers can also provide targeted financial advice and access other support that you might benefit from.

To find out more, please visit www.businesswales.gov.wales.

RESTRICTIONS BUSINESS FUND DISCRETIONARY GRANT – WHO CAN APPLY ?

Businesses that meet the following criteria **may** be eligible for the grant:

- Business was trading prior to 1st September 2020
- Businesses must be operating in Wales
- Businesses must have **one** or more of the following
 - HMRC Unique Taxpayer Reference (UTR) Number
 - VAT Registration Number or a VAT exemption certificate (if applicable)
 - Company Registration Number (if applicable)
 - Hackney carriage license number or private minicab licence number (if applicable)
- Business has been forced to close or has experienced a drop in turnover of >40% **as a direct result** of the restrictions introduced in Wales
- Limited company with a turnover of between £10,000 and £50,000
- Sole traders / partnerships with a turnover less than £85,000

- The business must be your main source of income (>50%)
- Supported businesses must aim to maintain employment for 12 months
- Only one application per business
- Businesses should be actively trading up to the 4th December when the new restrictions were introduced in Wales and may be required to provide evidence to demonstrate this
- Businesses that are **eligible** for the Restrictions Business Fund NDR Grant are **not eligible** for this discretionary grant.
- Businesses eligible for the ERF Sector Specific Support Grant are ineligible for this discretionary grant.

RESTRICTIONS BUSINESS FUND DISCRETIONARY GRANT - HOW MUCH CAN YOU APPLY FOR?

A discretionary grant of £2,000 is available to assist businesses that have:

- Been forced to close as a result of the national restrictions put in place.
- The grant will also support businesses that **estimate** that the latest restrictions put in place will result in at least a 40% reduction in their turnover for during the December 2020 to January 2021 period as compared to December 2019 to January 2020 (or September 2020 turnover if not trading in December 2019)
- In relation to self-catering accommodation, properties will not be eligible for the grant unless the following criteria are met:
 - The self-catering accommodation can produce two years of trading accounts directly preceding the current financial year of the business
 - The self-catering accommodation must actually have been let for a period of 140 days or more in the financial year 2019-20
 - The self-catering accommodation business must be the primary source of income for the owner (minimum threshold is 50%).

For self-catering properties, local authorities have full discretion to request and examine trading business accounts, booking lists and self-assessment tax returns submitted to HMRC for the financial year ending 31 March 2019 if additional evidence is required to demonstrate that this criteria is met.

You are **not eligible** for this grant if:

- You are eligible for, or have received, the Restrictions Business Fund NDR Grant from your Local Authority
- You are eligible for, or have applied for the ERF Sector Specific Support Grant
- If the business generates less than 50% of your income. The business must be your main source of income.

Businesses need to confirm that without the grant support the viability of the enterprise will be under threat, and outline why.

The grant will be open to applications from the <DATE> and will close at 5pm on the <DATE> or when the fund is fully committed.

All applications will be considered on an individual basis and payment of the grant is at the absolute discretion of the Local Authority within the criteria set out in this guidance”.

RESTRICTIONS BUSINESS FUND DISCRETIONARY GRANT - HOW TO APPLY

Businesses can apply for the grant by accessing their Local Authority’s Restrictions Business Fund webpage. If eligible, you will be able to access the online application form, complete all the requested fields and submit your application. Please note that all fields are mandatory – failure to complete them **will result** in your application being rejected.

Applications will be dealt with on a **first come first served** basis. This **may** lead to applications not being appraised after they have been submitted if the fund is fully committed. Applicants will be notified of this by email.

The Local Authority has absolute discretion on the duration and terms of the fund.

RESTRICTIONS BUSINESS FUND DISCRETIONARY GRANT - GUIDANCE ON COMPLETING THE FORM

Section 1 – Your personal details

This part asks for information about you the applicant / business owner.

Section 2 – Information about your business

This part asks for information about your business. Please ensure the details in this section are accurate and complete. Application forms that have incomplete or inaccurate data will **not** be processed.

Businesses will **not be eligible** for the grant if they fall into one of the following categories:

- Enforced closure having infringed social-distancing rules. However, if improvements have been made and the business has been allowed to re-open then they may be eligible for the grant (subject to meeting the eligibility criteria)
- Businesses that chose to close but are not required to
- In liquidation or dissolved or in process of being struck off
- Breached State Aid limit
- If the business your applying for is not your main source of income

Section 3 – Impact of the lockdown on your business

Please confirm or otherwise if the statement on the application form applies to your business. The local authority **may** request further information/documentation to evidence this estimated turnover reduction. Also in this section please tell us how the latest restrictions introduced during December will **directly** affect your business

Section 4 – Bank Details

Please provide your business bank account details as this information will be used to make the grant payment to you – please ensure these details are correct.

The local authority may request your latest bank statements and further information to confirm your bank details and evidence trading activity.

Section 5 – Statement of State Aid Received

You must declare if you have received any State Aid during the previous 3 fiscal years (i.e. current fiscal year and the previous two fiscal years) together with the amount received and details of the awarding body.

Please include all Covid-19 related financial support you have received since March 2020.

Examples could include Economic Resilience Fund, Start-up Grant, Non Domestic Rate Grant (round 1)

What is De Minimis Aid?

In order to minimise distortion of competition the European Commission sets limits on how much assistance can be given to organisations operating in a competitive market. Under EC Regulation 1407/2013 (de minimis Aid Regulation) as published in the Official Journal of the European Union 24 December 2013, the support provided is a de minimis aid.

There is a ceiling of €200,000 (€100,000 for undertakings in the road transport sector) for all de minimis aid provided to any one organisation over a three fiscal year period (i.e. the current fiscal year and the previous two fiscal years). Any de minimis aid provided to you under this service will be relevant.

Please advise us of any other de minimis aid received during the current and previous two fiscal years, as we need to check that our support added to that previously received, will not exceed the threshold of €200,000 (€100,000 for undertakings in the road transport sector) over the last 3 fiscal years. Aid includes not only grant but also assistance such as free or subsidised consultancy services, marketing advice etc. If you are in any doubt about whether previous assistance received classes as de minimis assistance please include it.

Section 6 - Declarations

Please read the declarations and tick the box to confirm you accept and understand them.

It is very important that you have read and understood this guidance document.

RESTRICTIONS BUSINESS FUND DISCRETIONARY GRANT WHAT HAPPENS AFTER THE APPLICATION IS RECEIVED?

Receipt of your application will be acknowledged within 10 working days.

Decisions on applications will be made based on the information provided in the application form, associated evidence and information checks that are conducted from other business data sources. If any data is incomplete or incorrect or the evidence provided is insufficient we will **not** process the application and it will be rejected.

We aim to process **finalised** grant applications within 30 working days of receipt.

Grants will be paid on the basis that 100% of the grant is paid up front.

If your application is unsuccessful, you will receive an email outlining the reason[s] for rejection. There is no appeal process.

RESTRICTIONS BUSINESS FUND DISCRETIONARY GRANT - GRANT REPAYMENT

Applicants should note that the Local Authority may require repayment of the grant in full or part if evidence emerges that the applicant was not eligible for the Restrictions Business Fund Discretionary Grant.