

Worcester City Council guidance for applications for Discretionary Lockdown Grant

Introduction

1. This guidance is intended to support Worcester-based businesses applying to Worcester City Council (**the Council**) for the Discretionary Lockdown Support Grant (DLSG) and Discretionary One-off Lockdown Grant (DOLG) using funding allocated to Local Authorities under the Additional Restrictions Grant (ARG).

The DLSG and DOLG is additional to the Local Restrictions Support Grant (CLOSED) (LRSGC) that the Council is delivering.

2. The DLSG and DOLG scheme will support:
 - closed businesses and organisations that do not directly pay business rates
 - businesses and organisations that do not have to close but which are affected by the January Covid-19 lockdown.
3. The grant is expected to help those businesses that are severely impacted by the restrictions such as businesses and charitable organisations that supply the retail, hospitality, and leisure sectors, businesses in the events sector and other types of organisations that have been adversely affected.
4. This guidance sets out the criteria under which businesses will qualify to make an application to the DLSG and DOLG, and the evidence required to support an application.

Scope and eligibility

5. The Government guidance issued in January 2021 gives the Council discretion over the grant scheme, and its decisions regarding the scheme will be final.
6. The DLSG and DOLG will only be available to businesses not eligible for the LRSGC. The Council will, at its own discretion, support businesses/organisations that meet the following criteria:
 - Businesses and organisations that are severely impacted by restrictions, such as those that supply the retail, hospitality and leisure sectors, or businesses that are in the event sector

- Businesses and organisations that rely on providing 'in person' services either from their premises or at customer premises and have been severely impacted by the current lockdown, such as those that are legally required to close or have chosen to close for the lockdown period, can demonstrate a loss of income, or are unable to provide services remotely.
7. To be eligible to apply for a grant under this scheme, a business or organisation must:
 - have been trading on 5 January 2021; and
 - be able to demonstrate that they have had a reduction in income due to Coronavirus restriction measures.
 8. Businesses of any size can apply for this grant, subject to meeting the eligibility requirements and provided that they have not exceeded state aid limits. This includes limited companies, partnerships, sole traders, charities and community interest companies.
 9. Businesses in rateable and non-rateable premises can apply, subject to meeting the eligibility requirements and provided that they have not exceeded state aid limits. This includes those that do not have their own business rates account.
 10. Eligible businesses may receive more than one DLSG if they can demonstrate they trade from separate premises, e.g. business rates account or rental agreement for each premises. A separate application is required for each premises occupied.
 11. Businesses that have applied for the Self Employment Income Support Scheme or the Coronavirus Job Retention Scheme are eligible to apply for this scheme.
 12. Companies that are in administration, are insolvent or where a striking-off notice has been made before the 5 January 2021 are not eligible for funding under this scheme.

Worcester City Council's approach

13. The Council will only consider applications which meet the eligibility criteria. Applicants will be notified if they do not meet the eligibility criteria.

14. Grants will be allocated as follows:

Business rates account		No Business rates account	
Rateable Value	6-week Grant	Turnover p.a.*	6-week Grant
< £15,000	£2,001	<£140,000	£2,001
£15,000 - £50,999	£3,000	£140,000 - £499,000	£3,000
£51,000 or above	£4,500	£500,000 or above	£4,500

*Turnover – based on the previous financial year.

15. Market Traders

We expect 'regular' traders to be those which, before Covid-19 restrictions, traded most days of the week. Traders that only traded in occasional markets (e.g. once a month) would not be considered 'regular'. The grant amount may be adjusted to reflect the number of days of the week that the market trader operates in Worcester.

16. Bed and Breakfasts

For Bed and Breakfasts to be eligible for the grant, they must meet the requirements of section 66(2) of the Local Government Finance Act 1988 and, consequently, not be liable for non-domestic rates. In summary, the accommodation must be provided for short periods to individuals whose sole or main residence is elsewhere; must not be self-contained self-catering accommodation provided commercially; and must not be provided for more than six persons simultaneously. In addition, the person providing such accommodation should have his or her sole or main residence within the building throughout any period when such accommodation is to be provided.

17. Applicants applying for more than one DLSG

The grant amount may be adjusted to reflect the number of days/week occupied at each premises.

18. The Council reserves the right to vary the terms of the scheme at any time, and without notice, should it be necessary to do so.

Evidence Required

19. To support your application, we require the following:

- Bank Statements for December 2020 and January 2021. Business account statements should be supplied if applicable. If a personal account is used, please highlight on the statement the transactions relating to the business.
- Evidence of business address – if the bank statements do not show the address that the business operates from, then additional evidence is required showing that address e.g. rental agreement, recent rent invoice, utility statement, business rates statement
- Companies house registration number/Unique Tax Reference/Charity Commission number
- Sole traders – correspondence from HMRC to verify the Unique Tax Reference
- Business rates/council tax number (if applicable)
- VAT number (if applicable)
- Evidence of turnover (businesses without business rates account) – accounts or self-assessment return for previous financial year if turnover is > £140,000. If the business has been trading less than one year, then management accounts or other evidence to verify turnover
- Confirmation that the business is not eligible for or has received the LRSB
- Confirmation of State Aid compliance.

20. Failure to fully complete the online form and/or submit the required evidence could result in your application being rejected.

21. The Council reserves the right to request additional information so that a decision can be made.

State Aid

22. There is a requirement for all grants made under this scheme to be State Aid-compliant, please see the further guidance on this at [State Aid Guidance](#). Businesses which have already received grant payments that equal the maximum levels of State Aid permitted under the de minimis rules and the Covid-19 Temporary State Aid Framework are not eligible for the Local Discretionary Support Grant

Grant Amounts and how payments will be made

23. The Council will pay the grant amounts set out in grant allocation table with adjustment for market traders and applicants applying for more than one DLSG, if required. There will be no additional payments under the DLSG scheme. The DOLG amount will be advised in due course.
24. Applications for the grant must be made online at the [Council's website](#)
25. Successful applicants will be notified by letter and asked to provide bank details. Payments will be made directly to the approved recipients' bank accounts by electronic transfer.

Timeline for the grant scheme

26. The timeline for the scheme is:
 - Applications open – week commencing 18 January 2021.
 - Please allow up to 15 working days for a decision on your grant application

Other information

27. Grant income received by a business is taxable, therefore funding paid under the LRSB and DOLG will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.
28. The Government and the Council will not accept deliberate manipulation and fraud. Any business found to be falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.
29. The Council is required to submit the following information to the Department for Business, Energy and Industrial Strategy for monitoring purposes:
 - Business contact details – name of business, address, email
 - Grant outcome – awarded/not awarded; amount; date paid
 - Unique identifier – company/charity registration number, unique tax reference VAT registration number
 - Sector
 - Size of business, according to number of employees

30. The Council does not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving grant payments under this scheme.

31. The grant decision made by the Council will be final.