

Milton Keynes Discretionary Business Support Schemes

April 2021



milton keynes council



Version control

V1 December 2020	New overarching scheme to incorporate Additional Restrictions grant scheme, Local business support scheme and LRSG(Open) discretionary schemes	Agreed by delegated decision 22 December 2020
V2 January 2021	To include Local Business Top up Scheme	Agreed by delegated decision 26 January 2021
V3 February 2021	To include Taxi vehicle licence holder grant	Agreed by Leader of the Councillor and Director for Finance & Resources 15 February 2021
V4 March 2021	New schemes for 21/22	Agreed by delegated decision 23 March 2021

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Background

In response to the Coronavirus, COVID-19, the government announced that where local or national restrictions are applied there would be support available for businesses required to close or who were faced with a significant financial impact from the restrictions. This support is to be delivered through Local Restrictions Grant (LRSNG) schemes and Restart schemes and a discretionary Additional Restrictions Grant (ARG) scheme. The government guidance on each of the schemes can be found at (<https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>)

National Scheme

In the Budget on 3 March 2021 the Chancellor announced a new grant scheme to replace the Local Restrictions Support grants and Restart grants are available from 1 April 2021.

The rate of payment for eligible businesses will be:

Non-Essential retail:

- for properties with a rateable value of £15,000 or under, £2,667
- for properties with a rateable value of more than £15,000 and below £51,000, £4,000
- for properties with a rateable value of £51,000 or over, £6,000

Hospitality, Accommodation, Leisure, Personal Care & Gyms:

- for properties with a rateable value of £15,000 or under, £8,000
- for properties with a rateable value of more than £15,000 and below £51,000, £12,000
- for properties with a rateable value of £51,000 or over, £18,000

Discretionary Schemes

In addition to the above scheme the Government has provided funding to provide support to businesses under the Additional Restrictions Grant scheme (ARG).

ARG provides local authorities with a funding allocation to be used during 2020/21 and 2021/22 to provide support to businesses affected by the COVID19 pandemic. Local authorities have been encouraged to provide support to businesses through wider support initiatives, although primarily the support is envisaged to take place in the form of discretionary grant payments.

This document sets out how the discretionary funding provided by the Government will be delivered by Milton Keynes Council from 1 April 2021 to support businesses to recover from the impact of the Coronavirus pandemic.

The Government has provided guidance to local authorities on the operation and delivery of ARG schemes. (<https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>)

Milton Keynes Scheme

1. Introduction

- 1.1. In order to provide timely and meaningful financial assistance to businesses that have been impacted by the restrictions support has been delivered in several tranches. Given the broad scope of the funding and the period that it is available schemes have been developed as priorities to support the local economy has changed during and post pandemic.
- 1.2. MKC recognises that the guidance issued by the Government on the delivery and funding of LRS (closed) and Restart grants has meant that many businesses are excluded from these schemes and wants to provide meaningful support to those businesses that have fallen outside of the other grant schemes and that have had their income severely impacted by the national and local restrictions.
- 1.3. MKC also recognises those business who have received grants under national and local schemes are still suffering financial strain as they recover from the restrictions that have been in place since November and wishes to provide additional support above that already in place.
- 1.4. This policy covers schemes that will be provided from 1 April 2021 to 31 March 2022 although should all available funding be allocated or withdrawn by the Government the schemes will close before that date.
 - ARG Milton Keynes Business Support Scheme
 - ARG Milton Keynes Business Support Top Up Scheme

If additional funding is provided during 2021/22 further grants may be made to eligible businesses under these schemes.

Eligibility criteria, exclusions and amount of grants available can be found in later in this document at paragraph 6.

Details of discretionary schemes provided prior to 1 April 2021 are available on request.

- 1.5. This policy will be kept under review by the Director for Finance & Resources in consultation with the Leader of the Council to ensure that funding remains available and that support is provided to those businesses in most need as the recovery from national restrictions begins.
- 1.6. MKC reserves the right to vary the terms of the scheme at any time, and without notice, should it be necessary to do so, in particular with regard to the availability of funding and changes in government guidance and government restrictions.

2. Application Process

- 2.1. In order for the application to be considered, MKC require businesses to demonstrate that they meet the eligibility criteria for the scheme by completing an application form on their online portal available at <https://milton-keynes.grantapproval.co.uk/>.
- 2.2. Only online applications made through the MKC portal will be accepted.
- 2.3. As a minimum the following will usually be required:
 - Proof of identity of sole trader or limited company
 - Evidence of unavoidable fixed property costs incurred by the business such as rent, rates or mortgage payments, this does not include personal or household costs. This should take the form of leases/agreements showing an obligation to pay and bank statements showing that payments have actually been made.
 - Evidence that the business falls within the criteria of those businesses required to close or evidence to demonstrate a substantial loss in income as a result of the national or local restrictions.
 - Confirmation of Subsidy Allowance compliance (this replaces State Aid). There is a requirement for all grants made under this scheme to be compliant with the current rules under Subsidy Allowance.

3. Grant payments

- 3.1. Grants will be paid to the eligible applicant to cover the relevant period. Where grants are payable on a rolling basis the applicant may need to submit an application for a follow-on payment in order to confirm there has been no change in their circumstances.
- 3.2. Payments will be made directly to the approved recipients' bank accounts by electronic transfer.

4. Decision process

- 4.1. Each application will be considered and decided by a panel made up of the Director for Finance & Resources and Head of Revenues & Benefits or their nominated deputies.
- 4.2. The decision of the panel will be final and will be communicated to the business by email.
- 4.3. A business can only challenge the grant decision on a point of law through the court.

5. Managing the risk of fraud and error

- 5.1. The Council will not accept deliberate manipulation and fraud. Any business that dishonestly provides false or misleading information in communication with the Council, including verbal communication, will be committing a criminal offence contrary to the Fraud Act 2006 and will be subject to a criminal investigation and criminal proceedings may be taken against them.
- 5.2. Conditionality of funding will be dependent on the business agreeing to these conditions by confirmation when they complete their electronic application form.
- 5.3. Businesses will need to notify their Local Authority if they no longer meet the eligibility criteria for additional grants (for example, if they become insolvent).
- 5.4. All information is subject to internal and external audit checks.
- 5.5. By applying for a discretionary grant all applicants give authority to Milton Keynes Council to share data for efficient system administration and to protect the Public Purse, subject to the Data Protection legislation.

5.6. The Council's will be required to share data with Government Departments for monitoring and other reasons. By applying for a discretionary grant all applicants give authority for this.

6. Discretionary Schemes

6.1 ARG scheme – Milton Keynes Business Support Scheme

This scheme comes into effect on 1 April 2021 and aims to provide support to businesses who are not eligible for a grant under the Government's Restart Grant scheme.

6.1.1. Eligibility

To be eligible for a grant under the MKC Business Support scheme a business must

- not be eligible to receive a grant under the Restart scheme, and
- have ongoing fixed costs that the business is required to pay during the period of this scheme. These costs cannot be employee related e.g. wages/director remuneration or costs associated with maintaining a residential address, and.
- be continuing to trade after the end of national restrictions,
- demonstrate that the business income has been severely impacted by the ongoing national or local Tier restrictions
- operate within Milton Keynes

6.1.2. Exclusions

- Businesses that have already received grant payments that equal the maximum levels of Subsidy Allowance permitted under the principles set out in Article 3.4 of the Trade & Cooperation Agreement.
- Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.
- Businesses that were not trading prior to the first full day of national restrictions coming into effect on 5 January 2021, unless already mandated to close by government restrictions.

6.1.3. Grant awards

A one-off award to assist with the recovery of business as restrictions are lifted as part of the Government's Roadmap out of Lockdown.

Businesses that have been mandated to close during national restrictions and do not receive a rates bill for their business.

(Reference will be made to Government guidance on Restart grants to determine which sector a business will be eligible within)

<p>Eligible businesses that are unable to re-open due to national restrictions and that do not receive a rates bill but have annual rent/mortgage payment of more than £3,000 and up to and including £15,000.</p> <p>Sector 1- Non-essential retail Sector 2 - Hospitality, leisure, accommodation, gym, personal care</p>	<p>£2,000 £4,000</p>
<p>Eligible businesses that are unable to re-open due to national restrictions and that do not receive a rates bill but have annual rent/mortgage payment, of more than £15,000 but below £51,000.</p> <p>Sector 1- Non-essential retail Sector 2 - Hospitality, leisure, accommodation, gym, personal care</p>	<p>£3,000 £6,000</p>
<p>Eligible businesses that are unable to re-open due to national restrictions and that do not receive a rates bill but have annual rent/mortgage payment, of £51,000 and above</p> <p>Sector 1- Non-essential retail Sector 2 - Hospitality, leisure, accommodation, gym, personal care</p>	<p>£5,000 £10,000</p>
<p>Eligible businesses that are unable to re-open who do not receive a rates bill and do not have fixed property costs but do have other ongoing business-related fixed costs.</p> <p>Sector 1- Non-essential retail Sector 2 - Hospitality, leisure, accommodation, gym, personal care</p>	<p>£750 £1,500</p>

Open Businesses

For businesses that have been able to continue to trade during restrictions but have been severely impacted by the restrictions and face a period of recovery as restrictions are eased.

<p>Eligible businesses with a rateable value of £15,000 or less or for a business that does not receive a rates bill has annual rent/mortgage payment of more than £3,000 and up to and including £15,000.</p>	<p>£1,000</p>
<p>Eligible businesses with a rateable value, or for a business that does not receive a rates bill has annual rent/mortgage payment, of more than £15,000 but below £51,000.</p>	<p>£2,000</p>

Eligible businesses with a rateable value or for a business that does not receive a rates bill has annual rent/mortgage payment, of £51,000 and above	£4,000
Eligible businesses who do not receive a rates bill and do not have fixed property costs but do have other ongoing business-related fixed costs.	£ 500

6.2 ARG scheme – Milton Keynes Additional Support for Local Businesses

This scheme provides additional support to local independently run businesses who are business ratepayers and may be eligible for a Restart grant from 1 April 2021.

6.2.1 Eligibility

To be eligible for an additional support grant a business must

- Be in one of the business categories listed below, and
- Be trading on 1 April 2021, unless mandated to be closed by the Government on 5 January 2021, and
- Demonstrate that the business income has been severely impacted by the national or local Tier restrictions, and
- Operate within Milton Keynes

6.2.2 Eligible business categories

- A shop in a rural community as defined within The Local Government Finance Act 1988 where the person liable for business rates is a sole trader or locally based company with no more than 3 retail outlets
- A Public House where the person liable for business rates is a sole trader or a locally based company which operates no other public houses
- Post Office (or shop with Post Office counter) where the person liable for business rates is a sole trader or locally based company with no more than 3 retail outlets
- Independent non-essential retail where the ratepayer is a sole trader or locally based company with no more than 3 retail outlets

This list of business categories will be kept under review and may be extended by the Director for Finance & Resources, in consultation with the Leader of the Council if other specific business types are recognised as needing additional financial support, subject to funding remaining available.

6.2.3 Exclusions

- Businesses that have already received grant payments that equal the maximum levels of Subsidy Allowance permitted under the principles set out in Article 3.4 of the Trade & Cooperation Agreement.
- Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.
- Businesses who have ceased to trade before the first full day of national restrictions that began on 5 January 2021 or who do not recommence trading when restrictions are lifted.

6.2.4 Grant award

Eligible businesses with a rateable value of £15,000 or less	A one-off payment of £2,500 per property
Eligible businesses with a rateable value of more than £15,000 but below £51,000.	A one-off payment of £5,000 per property
Eligible businesses with a rateable value of £51,000 and above	A one-off payment of £7,500 per property

6.3 ARG scheme – Milton Keynes Business Support scheme -Exceptional Payments

6.3.1 In exceptional circumstances a discretionary award outside of the specified criteria and grant awards may be made to organisations who are considered a strategic partner to the council and who can demonstrate that an award would positively affect the continued sustainability of the organisation and would provide a significant positive economic impact to the area in which it is located. The Director for Finance & Resources, in consultation with the Leader of the Council, will be given delegated authority to determine the eligibility and level of award based on the individual circumstances of the organisation.

6.3.2 A one-off grant may be awarded where a business can demonstrate that

- it has been excluded from other government support and grants , and
- it was trading prior to the commencement of national restrictions on 5 January 2021 and
- was mandated to close during national restrictions or was able to continue to trade but was severely impacted by the restrictions, and

- that the award will have a positive impact on the sustainability of the businesses

A grant of up to £5,000 may be made at the discretion of the Director for Finance & Resources. The level of the award will be based on the individual circumstances of the applicant.

- 6.3.3 A one-off grant of £6,000 will be awarded to a business which is unable to re-open until 21 June 2021 at the earliest. The eligibility criteria will be based on eligibility under the Local Restrictions Support Grant (Sector) which provided for grants to nightclubs and sexual entertainment venues which have been required to be closed since 23 March 2020. at