



Department for
Business, Energy
& Industrial Strategy

COVID-19 Business Grants Frequently Asked Questions (FAQs): Restart Grant and ARG

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Restart Grant

General

1. How much funding will be provided?

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.

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.

Eligibility

2. Which businesses are eligible for the Restart Grant?

In order to be eligible for the Restart Grant, businesses must meet the following conditions:

- Businesses must have been trading on 1 April 2021.
- 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.
- Businesses must primarily offer in-person services where the main service and activity takes place in a fixed rate-paying premises.
- Businesses must align with the scheme definitions and criteria for the non-essential retail, hospitality, accommodation, leisure, personal care or gym business sectors.

3. What constitutes trading?

For the purposes of these grant schemes, 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.

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-off 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.

4. When determining whether a business falls into Strand One (up to £6,000) or Strand Two (up to £18,000), should Local Authorities prioritise the description in the rating list or the actual use of the property?

Where a business's description in the rating list does not accurately reflect the nature of the business conducted on its premises, Local Authorities should use their knowledge of the business itself to determine whether it is eligible for Strand One or Strand Two of the Restart Grant. There are a number of indicators available in the Restart Grant Guidance for Local Authorities, available on GOV.UK.

5. If one hereditament accommodates multiple services, only some of which qualify for the Restart Grant, will it be eligible to receive a grant?

In this instance, the hereditament will be eligible to receive a grant through the Restart Grant scheme if the business is required to close its main service. Local Authorities will be required to exercise their discretion and judge whether this is the case, based on their local knowledge. For example, where a café is situated within a supermarket, but the café is not the main service of the hereditament, it would not qualify for the Restart Grant.

6. Where businesses have not reopened following the first lockdown in March 2020, or have never been able to open due to restrictions, will they qualify to receive funding under the Restart Grant scheme?

Where a business meets all eligibility criteria on 1 April 2021, including meeting trading indicators and appearing on the local rating list, then it can claim a grant.

7. If a business is not compliant with COVID legislation, is it eligible to receive a Restart Grant?

Businesses must be compliant with COVID legislation in order to receive a Restart Grant. However, Local Authorities must not withhold Restart Grant funding if a business has outstanding fine payments related to COVID-safe guidance. Where a Restart Grant payment has already been made to a business that later becomes non-compliant, Local Authorities will not be required to recover the funding.

8. Can grants be withheld from businesses that are in business rates arrears or have been overpaid grants?

The COVID-19 business grant schemes should not be offset against existing or future business rates liabilities or other unrecovered money. Where grant funding has been overpaid by the Local Authority, funds should be reclaimed under that scheme and must not be offset against another grant scheme.

9. Are cash-based businesses without a bank account eligible to receive grant funding?

No, businesses must have a bank account.

10. Are applications from companies listed on Companies House as “dormant” eligible for grants?

If a business is listed as “dormant” on Companies House on the date that it was required to be trading to be eligible for the relevant grant, then it would not qualify to receive a grant as it was not trading.

11. Where one ratepaying business is responsible for multiple eligible hereditaments, would a Restart Grant be paid for every individual hereditament?

Yes, grants are paid to each eligible hereditament. If, for example, one ratepayer is responsible for multiple holiday homes or chalets, each of which is separately rated, then a grant may be paid for each of those hereditaments.

12. Will there be an extension to the closing date for applications to the Restart scheme in light of the delay to stage 4 of the Roadmap?

No. The Restart scheme has not changed and the application closure date for businesses remains 30 June 2021. Final payments must be made by 31 July 2021.

13. Can parish and town councils be the beneficiaries of the Restart Grant for businesses that they run?

No, parish and town councils are not able to receive a grant for an eligible business, because publicly funded bodies, including Local Authorities, may not be the beneficiaries of grant funding through this scheme.

14. Are charities eligible for the Restart Grant?

Yes, charities may claim a grant where they run businesses that meet the eligibility criteria for the Restart Grant, provided that they have not already reached subsidy allowances.

15. Are Bureau de Change businesses eligible for the Restart Grant?

No, Bureau de Change businesses are not eligible for the Restart Grant as they are categorised as financial providers, which are exempt from the non-essential retail sector definition.

16. Are kennels and catteries eligible for the Restart Grant?

No, kennels and catteries are not eligible for the Restart Grant as they do not meet any of the sector definitions for the scheme. Day care services for pets are also not eligible for a Restart Grant.

17. Are dog training businesses eligible for a Restart Grant?

Dog training businesses may be eligible for a Restart Grant under the non-essential retail sector definition (Strand One), if those businesses meet all scheme criteria and offer in-person services, where the main service and activity takes place in a fixed rate-paying premises.

18. Are independent libraries eligible for the Restart Grant?

Yes, independent libraries are eligible under the non-essential retail sector (Strand One) because they operate for the purposes of the sale or hire of goods or services by the public.

19. Are lettings and estate agents eligible for the Restart Grant?

No.

20. Are hospitality venues that require membership eligible for the Restart Grant?

Yes.

21. Food courts are eligible for the Restart Grant. Can individual businesses within a food court claim a Restart Grant?

Food courts may claim a Restart Grant. If the main service of an individually rated business within a food court meets the conditions for the Restart Grant, that business may claim for a grant.

22. Markets are listed as non-essential retail for the Restart Grant. Where a market stall meets the conditions for a different sector, can it claim a Restart Grant under that sector?

Markets are considered to be non-essential retail. However, where the main service of an individually rated business within a market meets the conditions for a different sector, that business may claim for a grant under the relevant strand.

23. Are bridal shops and tailors eligible for Strand One or Two of the Restart Grant?

Bridal shops and tailors are eligible for Strand One of the Restart Grant, under the non-essential retail category. Any grants paid in error to these businesses under Strand Two will need to be recovered from the businesses.

24. Are rehearsal and recording studios eligible for a Restart Grant?

Yes, rehearsal and recording studios are considered to be non-essential retail (Strand One) because they are used mainly or wholly for the purpose of hire of the goods or service by the public.

25. Are boat moorings eligible for a Restart Grant?

No, boat moorings are not eligible for a Restart Grant as the scheme's primary principle 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.

26. Are hypnotherapy businesses considered a medical practice and therefore excluded from receiving a Restart Grant, or are they considered personal care?

Hypnotherapy and similar types of personal care businesses that offer activities for the purpose of health and wellbeing rather than medical services, such as reflexology, may be eligible for a Strand Two Restart Grant, if those businesses meet all other scheme criteria.

27. Are businesses whose primary activity does not take place on their rated hereditament eligible to receive a grant through this scheme?

No, businesses that conduct multiple activities, but use their rated hereditament for a purpose not listed in the eligibility criteria for the Restart Grant are not eligible to receive a grant. A business would not be eligible if its in-person activity does not take place within the rated hereditament.

Application and pre-payment process

28. Is a new application process required for all businesses that are eligible for the Restart Grant?

Local Authorities will need to run an application process for all businesses applying for a COVID-19 business grant for the first time. For businesses that have previously received grant(s), the minimum information under the new application process is required in order to claim a Restart Grant. However, in order to avoid payment delays, this information can be obtained at a later date for businesses that have previously received grant(s). However, if the business fails to provide this missing data, Local Authorities must recover any payments made.

29. What information is required from applicants to the Restart Grant?

Further details on the data requirements from first-time applicants can be found below. Where the data Local Authorities have previously collected is not aligned with these clarifications, Local Authorities should reflect these clarifications in future versions of their application process.

- a. Name of business
- b. Business Trading Address including postcode
 - This refers to the applicant's hereditament.
- c. Unique identifier (preferably Company Reference Number (CRN)) if applicable. If not applicable, one of the following is required instead: VAT Registration Number, Self Assessment/Partnership Number, National Insurance Number, Unique Taxpayer Reference, Registered Charity Number
 - UPRN cannot be used as a unique identifier for this purpose.
- d. High-level SIC Code
 - This refers to the business area in which the grant recipient is engaged. Please see Q30 for the full list of high-level SIC codes.
- e. Nature of Business
- f. Date business established
 - This refers to the date that the business was established according to the business address on the business rates system.
- g. Number of employees
 - This refers to number of employees per hereditament.
 - Employee bandings used in previous reporting are acceptable. Please see Q67 for the full list of bandings.
- h. Business rate account number (if applicable)
- i. Cumulative total of previous funding received under all COVID-19 business grants schemes
 - Local Authorities should collect information on any COVID-19 business grants that an individual hereditament has previously received from the Local Authority over the last year. This includes Retail, Hospitality and Leisure Grant Fund, Small Business Grant Fund, Discretionary Grant Fund, all Local Restrictions Support Grants, Additional Restrictions Grant, Christmas Support Payment for wet-led pubs and the Closed Businesses Lockdown Payment.

30. What are the applicable high-level SIC codes?

- A: Agriculture, Forestry and Fishing
- B: Mining and Quarrying
- C: Manufacturing
- D: Electricity, Gas, Steam and Air Conditioning Supply
- E: Water Supply; Sewerage, Waste Management and Remediation Activities
- F: Construction
- G: Wholesale and Retail Trade; Repair Of Motor Vehicles And Motorcycles
- H: Transportation and Storage
- I: Accommodation and Food Service Activities
- J: Information and Communication
- K: Financial and Insurance Activities
- L: Real Estate Activities
- M: Professional, Scientific and Technical Activities
- N: Administrative and Support Service Activities

- O: Public Administration and Defence; Compulsory Social Security
- P: Education
- Q: Human Health and Social Work Activities
- R: Arts, Entertainment and Recreation
- S: Other Service Activities
- T: Activities of Households as Employers; Undifferentiated Goods-And Services-Producing Activities of Households For Own Use
- U: Activities of Extraterritorial Organisations and Bodies

Payment

31. Can Restart Grant funding be paid to somebody other than the ratepayer, or can a third party take receipt of mandatory grant funding?

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. Where businesses use a third-party rating agent, Local Authorities will still need to undertake the usual pre- and post-payment assurance checks, satisfying themselves that businesses are eligible and all other requirements are met. Local Authorities will also need to ensure that the businesses receive the entire grant and the agent does not take a fee from the grant award.

32. If a business ceases trading after receiving the Restart Grant, will grant funding need to be recovered?

No. Where a business meets all eligibility criteria on 1 April 2021, including meeting trading indicators and appearing on the local rating list on that date, then it can claim a full grant.

33. If a business had a striking-off notice and was therefore not eligible to receive a Restart Grant, but the notice was later removed, could the business receive a grant?

Where a business is subject to a compulsory or voluntary striking-off notice, it is not eligible for funding under these schemes. However, if this striking-off notice is removed, a business may apply for a Restart Grant if the application period is still open and provided the business is otherwise eligible. For the avoidance of doubt, if a striking-off notice was in place on 1 April 2021, then the business would not be considered to be trading and would not be eligible for a grant from this scheme. The striking-off notice had to be issued after the 1 April 2021 and removed before the application deadline in order for the business to be eligible.

34. If a Local Authority identifies that a business has been overpaid through a previous grant scheme, can the Restart Grant be automatically deducted from the outstanding overpayment balance?

No. Where previous grants have been overpaid, funds should be reclaimed under that scheme then reissued under the correct scheme. No grant scheme should be offset against another.

Additional Restrictions Grant

General

35. How much funding will be made available to each Local Authority through the second top-up of £425m?

Local Authorities have already received details of their potential allocation figure from the £425m top-up, which has been calculated on a per-business basis. To access this second top-up, Local Authorities now have until 30 July 2021 to meet all necessary conditions and prove that they have spent or made a validated attempt to spend 100% of their first two ARG allocations combined.

36. Is a third top-up payment planned in response to the pause in the roadmap?

There is no planned third top-up or change to the amount of funding announced in the previous top-up.

37. Can grants be withheld from businesses that are in business rates arrears or have been overpaid grants?

The COVID-19 business grant schemes should not be offset against existing or future business rates liabilities or other unrecovered money. Where grant funding has been overpaid by the Local Authority, funds should be reclaimed under that scheme and must not be offset against another grant scheme.

38. How can Local Authorities qualify for the ARG top-up?

Local Authorities must meet certain conditions to be eligible for an allocation from the £425m ARG top-up funding available. Local Authorities have until 30 July 2021 to prove that they have spent or made a validated attempt to spend 100% of their first two ARG allocations combined. Local Authorities will be asked to provide evidence of their spending and validated attempts to spend their ARG allocations.

39. What do “spend” and “validated attempt” mean?

For the purposes of this scheme, spend will be defined as all funding defrayed or where there has been a validated attempt to defray the funding. For example, a validated attempt may be where bounce-backs of payments have occurred because businesses have provided the wrong account details.

The Local Authority, Combined Authority, Growth Hub or other third party or intermediary responsible for distributing the grant funding to businesses should have evidence there has been a validated attempt to defray the funding before 30 July 2021. For example, if Local Authorities intend to use the funding for business support activity and have therefore transferred the funding to the relevant Growth Hub or Combined Authority, that organisation must have made a validated attempt to defray the funding to businesses. Transferring funding to an intermediary or third party is not considered spend or a validated attempt.

For spend to be considered as a validated attempt, the payment must be in the financial system, meaning the processing of the payment is underway.

Below are some examples that would be considered within scope of a “validated attempt”:

- Where a payment has been made to an incorrect bank account and has been rejected; the grant can be classed as a validated attempt as long as a further attempt to pay will be made immediately upon discovering the error.
- Where an application has been approved and the payment has been made, but due to a technical error the payment did not process, this can be classed as a validated attempt as long as payment was made on discovery of the error.
- Where a payment has been processed, but is on hold by the bank, due to verification checks being undertaken, this can be classed as a validated attempt to make payment.
- Where a contract has already been signed to provide a service (prior to the circulation of this guidance on 15 April 2021), such as for business support activity, even if that funding is not yet spent.

Below are some examples that would not be considered in scope of a “validated attempt”:

- If the grant funding application has been received but has not been approved and passed to pay.
- If the grant funding application has been received and approved, but not passed to pay.
- The grant application being sent to the finance team to process without further action being taken as above.
- Funding allocated but where there is no contract to provide business support after 30 June 2021.
- Transferring funds to a different cost code or a third-party account, where no contract has already been signed to provide a service (prior to the circulation of this guidance on 15 April 2021), such as for business support activity.

40. Where the Local Authority does not have a signed contract prior to the 15 April 2021 would BEIS accept alternative evidence of ARG funds being awarded or allocated to an activity (such as to support a Business Support Service delivered by a third party, or to support staff costs within the Local Authority itself who are working on business support services) to allow the spend to be classed as a ‘validated attempt’?

BEIS will accept a formal minute or record of a council decision being taken to award the funds prior to the 15 April 2021 (as long as this clearly states that the funds are from ARG and specifies the value of ARG to be allocated) as an alternative to a signed contract to confirm a ‘validated attempt’. BEIS will not however accept any other evidence – such as email correspondence related to the award of ARG

41. As Stage 4 of the roadmap is being delayed by up to 4 weeks to 19 July 2021, will the deadline of 15 April 2021 for a contract to be signed by the local authority with a business support third party provider change?

No, the deadline of 15 April remains in place.

42. What is considered to be “defrayed funding” under wider business support?

In-kind goods and services delivered directly to businesses by an independent third party as part of a wider business support package will be considered defrayed funding. Local Authorities must not be the beneficiaries of ARG funding.

43. Does distributing ARG funding as a loan scheme qualify as spend for the purposes of the ARG top-up?

No, unless previously contracted prior to 15 April 2021 as part of a wider business support package.

44. Can a Local Authority access further ARG funding if it has not spent its existing ARG allocation by 30 July 2021?

No, if a Local Authority has not met the conditions for the ARG top-up announced in the Budget, then they will not be able to access their potential allocation from the £425m top-up. If further funding is made available under the Additional Restrictions Grant scheme, then conditions of eligibility will be considered at that point.

45. If Local Authorities have spent their previous full allocations before 30 July 2021, will they still have to wait until that date to receive their top-ups?

No, where Local Authorities have spent 100% of their previous ARG allocations before 30 July 2021, they may have the opportunity to access the ARG top-up through one of the BEIS payment runs in May, June, July and August 2021. Evidence of 100% spend (including validated attempts) will need to be provided by Local Authorities before the ARG top-up is released.

46. Will payments for ARG top-up to Local Authorities be brought forward in light of the pause to reaching Stage 4 of the Roadmap?

Payment dates for ARG top-ups have been brought forward and the frequency of payment runs has been increased, to help Local Authorities to enable businesses to access funding as soon as possible.

47. Previously, some Combined Authorities have been paid ARG funding to distribute to their Local Authorities. Will Combined Authorities only access the top-up when all of their Local Authorities report 100% spend, or will Local Authorities be allocated top-up funds individually?

Local Authorities that receive ARG funding through a Combined Authority may want to explore the possibility of opting out of this arrangement in order to access the £425m top-up. Local Authorities need to notify BEIS via email (businessgrantfunds@beis.gov.uk) by 30 April 2021 that they may want to utilise this flexibility, then BEIS will hold a meeting with the CA and LAs to discuss the potential of assessing spend at Local Authority level. If agreed, Local Authorities that move from a Combined Authority arrangement will need to report at Local Authority level for the remainder of the scheme. The funding will also be received at Local Authority level if this option is agreed and will no longer be received by the Combined Authority.

48. If a Local Authority did not have a contract in place by 15 April 2021 for a third party to deliver wider business support, can it still access the top-up by issuing a large grant to a third party before 30 July 2021?

No. Wider business support cannot be reported as a large grant to bypass the conditions for accessing the top-up and be considered spend. Local Authorities can still deliver wider business support through a third party using ARG funding, whether a contract is in place by 15 April 2021 or not, but all conditions must be met in order to access the top-up.

Eligibility

49. Which criteria should Local Authorities consider when assessing applications for Additional Restrictions Grant funding?

Local Authorities may wish to consider the following options when determining how to distribute ARG funding:

- Providing direct grant support to businesses severely impacted by restrictions. This may include businesses that have already been in receipt of Restart grants.
- Supporting businesses that have been unable to access other business support grant schemes.
- Supporting home businesses and sole traders (without using ARG as a wage support mechanism for employees or owners of a business).
- Other business support measures that allow businesses to be the direct recipients of ARG funding.
- Distributing funding to a LEP or Growth Hub for the provision of wider business support.

Local Authorities should not use ARG for the following:

- Infrastructure projects.
- Funding whereby the Local Authority is the direct recipient (with the exception of funding staff employed for the sole purpose of providing business support).
- Diverting funds from businesses to meet other costs, for example covering market stall pitch costs instead of directly funding the market trader (see Q43).
- As a wage support mechanism.

50. Does the pause to reaching Stage 4 of the Roadmap mean Local Authorities must change existing plans for spending the ARG?

The principles behind the ARG scheme have not changed. Local Authorities still have the freedom to use this discretionary funding to support businesses in the way that best meets local economic need, in line with the Guidance. Due to the delay to Stage 4 of the roadmap, Local Authorities are also encouraged to focus support on those sectors that remain closed or are severely impacted by the extended restrictions.

51. Should a new application be completed if a Local Authority wants to award an ARG grant to a business who previously successfully applied under another scheme?

Local Authorities have the discretion to support a business with an ARG grant even if they have previously received support under another scheme. However, a new application is required, specific to ARG. The Local Authority cannot rely on a previous application or assessment from a different Business Grant scheme.

52. Should a new application be completed if a Local Authority wants to award a grant from their ARG top-up allocation to a business who previously successfully applied for an ARG grant?

A Local Authority can award a business 'top-up' grant under ARG without any new application to ARG being required. However, the Local Authority will have to ensure (and retain evidence to confirm the steps taken) that the business remains eligible for ARG support.

53. Can Local Authorities use ARG for capital spend projects?

No, ARG funds should not be used to acquire, upgrade or maintain physical assets and should instead be spent to support businesses in line with the principles listed under Q43.

54. Can Local Authorities award ARG funding to businesses that is subsequently used by the business for capital spend projects?

Local Authorities cannot use ARG funds on capital projects or for initiatives where the Local Authority are the beneficiary. If grant funding is awarded to a business, the business can use that funding as they see fit; which can include capital spend, e.g. purchasing equipment.

55. Previous ARG guidance stated that a business must have been trading by 4 November 2020 to be eligible to receive funding. This is no longer the case. Does this position apply retrospectively?

Because ARG funds have been topped up on several occasions, businesses are no longer required to have been trading on 4 November 2020, as this excludes legitimate businesses that have opened but since been severely impacted by coronavirus restrictions. This position does not apply retrospectively, but Local Authorities may now accept applications from businesses that began trading after 4 November 2020. Local Authorities must adhere to the updated guidance on trading dates moving forward.

56. Parish and town councils are not eligible for the Restart Grant. Can they continue to be the beneficiaries of ARG funding?

Yes, parish and town councils may continue to receive ARG funding for eligible businesses, as long as they meet all other conditions for the scheme, including ensuring that Local Authorities are not the beneficiaries of grant funding.

57. Should Local Authorities use ARG funding to support businesses that are already supported under the Restart Grant scheme?

Local Authorities are encouraged to support businesses from all sectors that may have been severely impacted by restrictions, but are not eligible for the Restart Grant scheme. However, Local Authorities do have the freedom to use funds from the ARG to provide top-up grants to businesses that are in receipt of grants under other schemes.

58. Can ARG be used as match funding for other grant and funding streams?

Yes, ARG could be used as match funding for other grant and funding streams, provided that the terms of other grant and funding streams allow for match funding.

59. Can discretionary grants be issued to cover businesses' costs without the money being distributed directly to the business?

Grants must be paid directly to the business, rather than to the Local Authority itself. Local Authorities should not deduct grant funding from allocations to businesses in order to pay costs on behalf of businesses. If, for example, market traders wish to use their ARG funding to pay pitch fees, this must be at the business's discretion once funds are allocated by the Local Authority.

Payment

60. If Local Authorities have not spent their full discretionary grant allocations by the payment deadline, will funds be subject to recovery?

Yes, where funds for the discretionary schemes are unspent by the respective payment deadline, they will be subject to recovery. This means that funds for the ARG that have not been spent by 31 March 2022 will be subject to recovery.

61. How has the business population been calculated for the ARG top-up?

The business population counts used for the ARG top-up were derived from the Inter Departmental Business Register (IDBR), which is published by ONS: <https://www.nomisweb.co.uk/datasets/idbrlu>. For the purposes of the ARG top-up, the number of Local Units that were active as of March 2020 were used to calculate the allocation. Local Units are individual sites that belong to an enterprise.

62. Is there a limit on the amount of ARG grant funding that can be paid to one business?

No, subject to subsidy allowance limits for the COVID-19 business grant schemes, there is no limit on the ARG grant funding that can be paid to one business. Funding from the scheme should be used to support businesses that are severely impacted by restrictions, taking into account: businesses outside of the business rates system, businesses that have not received any other grant support, the level of fixed costs of the business, the number of employees the business has, whether it is unable to trade online and the consequent scale of coronavirus losses. The Local Authority must assure itself that a business receiving grant support can do so in a way that is compliant with UK Subsidy Control regulations. The responsibility for checking compliance rests with the Local Authority, not with BEIS.

General

63. When will further detail on New Burdens support be released, including funding for additional data capture requirements?

A New Burdens assessment has commenced, and we will make payments as soon as possible. We are working with a group of Local Authorities to understand the additional burdens.

64. Where a business is based in one Local Authority, but registered or administered in a different Local Authority or country, in which Local Authority should it apply for a grant?

Businesses can apply for a grant from the Local Authority to which it pays business rates. Businesses that do not pay business rates can apply to the Local Authority where the business is located. For example, if a business is based in one Local Authority but registered in a different Local Authority, then it would apply for a grant from the Local Authority where it is based. For mobile businesses, businesses should apply for a grant from the Local Authority where they conduct their main business activity.

65. Can grant payments be made to non-UK bank accounts?

No, payments should be made to UK-based bank accounts.

66. Where a business has a voluntary agreement, but it is not in liquidation or administration, would it be eligible to receive a grant?

Eligible businesses that have a voluntary agreement but are not in liquidation or administration will be eligible to receive a grant if they are still trading and operating, provided the business is otherwise eligible. Businesses that are in administration, are insolvent, struck off or where a striking-off notice has been made are not eligible for funding under these schemes.

Reporting and assurance

67. How is “size of business” defined in the monthly reporting requirements?

This is to be defined as micro, small, medium, large, according to the number of employees, where:

- Micro: 0 – 9
- Small: 10 – 49
- Medium: 50 – 249
- Large: More than 250

68. Is an upload of a business’s bank statement a sufficient substitute for the NFI Experian bank account check, or is use of the NFI Experian tool mandatory?

The guidance does not mandate using an automated tool but does mandate a pre-payment check, which can be done manually. The Local Authority must use its best judgement when conducting the pre-payment check to determine whether the evidence provided is sufficient to verify a bank account and satisfy due-diligence requirements. The Local Authority must also ensure that checks are documented can be evidenced for verification, if required. If the Local Authority is satisfied, then payment can be made.

The Local Authority should consider whether the manual pre-checks proposed can reasonably confirm that the bank accounts have not been falsified to support fraudulent grant applications by considering the following:

- Do the account details align with existing records held by the Local Authorities for paying any licenses or other business charges?
- Is the Local Authority confident that it can identify false bank statements and any supporting invoices submitted?

If not, this should be reflected in the fraud risk assessment.

69. What are the reporting and assurance requirements for payments for wider business support activities where grant funding does not go directly to individual businesses?

Local Authorities will be expected to provide assurance that the application for ARG to fund wider business support activities meets ARG eligibility criteria. The value of the grant paid should be included in post-payment reporting, but information relating to individual businesses will not apply in this case and therefore will not need to be submitted. It is expected that the Local Authorities own internal audit processes would review the award / payment of these grants in line with the principles set out in paragraph 67 of the ARG guidance.

- 70.** If a Growth Hub or other third party or intermediary is responsible for distributing the grant funding to businesses what are the reporting and assurance requirements?

It is expected that the Local Authorities own internal audit processes would review the award / payment of these grants in line with the principles set out in paragraph 67 of the ARG guidance.

- 71.** If a Local Authority administers a targeted grant fund itself what are the reporting and assurance requirements? Can this be reported as a single payment?

If an ARG grant is used by a Local Authority to create a grant fund which the Local Authority itself is to deliver, then pre and post assurance monitoring on all businesses is required as set out by the ARG guidance. The fund should not be reported as a single payment.

- 72. How long do Local Authorities need to keep documentation in relation to COVID-19 grants?**

Local Authorities are required to retain data on COVID-19 business grants for 10 years.

Fraud

73. Is the enhanced Spotlight check mandatory?

Use of Spotlight itself is not mandatory, but pre-payment checks are mandatory and the use of automated tools such as the NFI tool and Spotlight are recommended. The Spotlight fee for basic checks has been waived, but a fee applies for enhanced checks, for which Local Authorities are liable.

74. Will Local Authorities' costs for paying for enhanced Spotlight checks be reimbursed?

The Spotlight fee for basic checks has been waived, but a fee applies for enhanced checks, for which Local Authorities are liable.

75. Is an upload specification available for the enhanced Spotlight checks?

Upload to Spotlight is completed via a spreadsheet, which can be downloaded from the Spotlight tool.

76. Does information need to be sent to NAFN in cases where fraud has been prevented because payments have not been made due to a lack of information provided by a business during pre-payment checks?

Yes, if a payment has been stopped due to attempted fraud, NAFN must be informed. The information from the attempted fraud forms part of the intelligence alerts that NAFN sends out to Local Authorities and is a vital part of the prevention and detection of fraud, as multiple Local Authorities may have been targeted.