



South Cambridgeshire District Council: Christmas Support Payment for Wet-led Pubs

Version	1.0
Ownership	Peter Maddock (Head of Finance)
Approved by	Liz Watts (CEO)
Approval date	15/12/2020
Publication date	15/12/2020
Date of next review	As required



Contents

Introduction	3
Christmas Support Payment for Wet-led Pubs Scheme Details.....	3
Funding Amounts	3
Eligibility	3
Exclusions.....	4
Appeals.....	5
State Aid & Tax Matters	5
Anti-Fraud Measures	6
Appendix A – State Aid Requirements.....	7



Introduction

On 1 December 2020, the Government announced the introduction of additional support over the festive period for wet-led pubs in areas under Tier 2 or 3 restrictions (full details of the announcement can be found at <https://www.gov.uk/government/news/prime-minister-announces-1000-christmas-grant-for-wet-led-pubs>)

This support will take the form of a grant funding scheme to be awarded in the 2020-21 financial year. The scheme is called the Christmas Support Payment for wet-led pubs (CSP) and is to be administered by business rate billing authorities in England.

Funding is being made available to eligible Local Authorities upon entry to Tier 2 or Tier 3 restrictions following Tier reviews on 2 December and 16 December 2020.

Under the CSP scheme, Local Authorities will receive a one-off payment amounting to £1,000 per wet-led pub in each eligible Local Authority where Tier 2 or 3 restrictions are imposed following Tier reviews on 2nd and 16th December 2020, and will be required to distribute this to eligible wet-led pubs.

Christmas Support Payment for Wet-led Pubs Scheme Details

Funding Amounts

Local Authorities under Tier 2 or Tier 3 restrictions for all or part of the period between 2 and 29 December 2020 will pay a £1,000 one-off, flat-rate grant to wet-led pubs.

Subject to State aid limits (see Appendix A), businesses will be entitled to receive a grant for each eligible property within the restriction area. Businesses may receive more than one grant where they have more than one eligible property.

Eligibility

To be eligible for this grant, **pubs must derive less than 50% of income from sales of food.**

Additionally, under normal circumstances (without local or national restrictions), they must:

- Be open to the general public
- Allow free entry other than when occasional entertainment is provided



- Allow drinking without requiring food to be consumed and permit drinks to be purchased at a bar

Businesses must have been trading on 30 November 2020 (the day before this scheme was announced) to be eligible to receive funding under this scheme. Where local restrictions were preceded by national 'lockdown' measures, requiring the closure of businesses that are otherwise eligible, it is accepted that those businesses were still trading.

Businesses that are also in receipt of other Local Restrictions Support Grants – for example LRSG (Closed) or Additional Restrictions Grant (ARG) – can also receive this grant.

Exclusions

The definition of a pub excludes the following, and as such these types of businesses are not eligible for the scheme:

Restaurants, cafes, nightclubs, hotels, snack bars, guesthouses, boarding houses, sporting venues, music venues, festival sites, theatres, museums, exhibition halls, cinemas, concert halls and casinos.

Pubs that derive over 50% of their income from food sales will not be eligible to receive funding through this grant scheme.

Businesses in areas moving from Tier 1 to Tier 2 or Tier 3 after 29 December will not be eligible to receive funding.

Businesses that have already received grant payments that equal the maximum levels of State aid permitted under the de minimis, the Covid-19 Temporary State Aid Framework and all other UK schemes under the terms of the European Commission's Temporary Framework (see Appendix A) will not be eligible to receive funding.

Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

Application and Payment Process

Eligible South Cambridgeshire District wet-led pubs are invited to apply to receive the grant through our e-form at <https://forms.scambs.gov.uk/WETPUBSSUPPORTGRANT/launch>



Payments will be made as a one-off lump sum payment for Local Authorities already in or entering Tier 2 or Tier 3 following the scheduled Tier review dates of 2 December and 16 December.

As part of the application process for the scheme, all pubs will be required to self-certify that they meet all eligibility criteria. It is required that pubs provide accounting evidence that they derive under 50% of their income from food sales to determine that the pub is wet-led. These accounts should be dated no later than 11 March 2020 (covering a period when trade was not affected by Covid-19).

Businesses established after 11 March 2020 and before 1 December will still be eligible for this grant and may be asked to supply accounting evidence that they derive under 50% of their income from food sales covering the period that they have been open.

This scheme will close on 29 December 2020. Final applications must be received by 31 January 2021.

Appeals

Whilst there is no formal right of appeal, if the applicant is dissatisfied with the outcome, they can request a review of the decision. The request should be submitted in writing to businessgrants@scambs.gov.uk within one week of the initial decision and should detail the reasons why a review is considered necessary, providing any additional supporting information required. The review will be undertaken by an officer who has not been involved in the previous decision.

If the applicant remains dissatisfied with the decision on a point of law, there is an appeal route by way of Judicial Review. Applicants may also lodge a complaint with the Local Government and Social Care Ombudsman.

State Aid & Tax Matters

Any payments accepted will follow State aid requirements. The requirements for State aid declarations is included at Appendix A. Grant income received by a business is taxable and will need to be included as income in the business's tax return.

Grant income received by a business is taxable. The CSP grant will need to be included as income in the tax return of the business. Only businesses that make an overall profit once grant income is included will be subject to tax.



Anti-Fraud Measures

The Government will not accept deliberate manipulation and fraud. Any business caught 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.

In addition to pre-payment eligibility checks there will be a process managed by Internal Audit which uses government schemes such as the National Fraud Initiative (NFI) to ensure the Council takes reasonable steps in prevention of fraud and error. Data will be shared with BEIS and NFI and central government will support local authorities to carry out post-event assurance work.



Appendix A – State Aid Requirements

The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU commission. The Local Authority must be satisfied that all state aid requirements have been fully met and complied with when making grant payments including, where required, compliance with all relevant conditions of the EU state aid De Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved COVID-19 Temporary framework for UK Authorities and any relevant reporting requirements to the EU Commission.

Payments made can be provided under the existing De Minimis rules, provided doing so does not exceed the 200,000EUR threshold. Payments made where the De Minimis threshold has been reached should be paid under the Covid-19 Temporary Framework for UK Authorities (threshold 800,000EUR).

The amended Temporary Framework enables EU Member States to give up to the nominal value of €800,000 per company (€120,000 per undertaking active in the fishery and aquaculture sector or €100,000 per undertaking active in the primary production of agricultural products). This can be combined also with so-called de minimis aid (to bring the aid per company to up to €1 million) and with other specific types of aid. Any business that has reached the limits of payments permissible under the De Minimis, the UK Covid-19 Temporary State Aid Framework, and all other UK schemes under the terms of the European Commission's Temporary Framework will not be able to receive further grant funding.

On 13 October 2020 the European Commission announced further amendments to its State aid Temporary Framework-introducing a new measure enabling further support to companies facing a decline in turnover during the eligible period of at least 30% compared to the same period of 2019 due to the coronavirus outbreak. The support can be provided for up to 70% (90% in case of micro and small companies) of the beneficiaries' fixed costs that are not covered by their revenues or other specified sources, up to a maximum amount of EUR 3 million per undertaking. The aid under this measure cannot be cumulated with other aid for the same eligible costs and is subject to further conditions set out in the Temporary Framework. The UK Government has notified the European Commission of its intention to use the new provision and must await approval from the European Commission to do so. The Covid-19 Temporary Framework for UK Public Authorities will need to be amended before aid under this new measure may be provided. All Local Restrictions Support Grants guidance documents will be updated to reflect the new provisions if and when they are applied to the LRSG schemes once the UK Government has approval. See announcement: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1872