



# South Cambridgeshire District Council: National Lockdown Business Support Policy

## Addendum (Local Restrictions Business Support)

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<b>Ownership</b>	Peter Maddock (Head of Finance)
<b>Approved by</b>	Anne Ainsworth (Chief Operating Officer)
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## Purpose

On 23 November, the Government published its Covid-19 Winter Plan, announcing that National restrictions would end on 2 December, with England returning to local tiers.

This document is an addendum to South Cambridgeshire District Council's (SCDC) National Lockdown Business Support Policy and provides details of support to be administered to businesses by SCDC following the return to local tiered restrictions on 2 December 2020. The support detailed within this addendum is available to businesses who have been required to close, or who have been severely impacted by local Tier 2 or Tier 3 restrictions.

## Grant Scheme Details

### Local Restrictions Support Grant (LRSB)

From 2 December 2020 the details of the LRSB as described within National Lockdown Business Support Policy have been superseded by two types of LRSB that businesses can apply for. These are called '**LRSB (Closed)**' and '**LRSB (Open)**'.

To be eligible for either LRSB (Closed) or LRSB (Open), businesses must have been trading the day before local restrictions came into force, however where local restrictions are preceded by national lockdown measures, requiring the extended closure of eligible businesses, it is accepted that those businesses are still trading.

Businesses that were in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme. Eligible businesses that have a voluntary agreement but are not insolvent, in liquidation or in administration will be eligible if they are still trading and operation, but only under de minimis, if the agreement means the business is ineligible for a grant under the Covid-19 Temporary Framework for UK Authorities.

Additional eligibility criteria and full details of each of the LRSB (Closed) and LRSB (Open) schemes are set out below:



## LRSRG (Closed)

### Eligibility

From 2 December 2020, the LSRG (Closed) is available to businesses who have been required to close by Government under local tiered restrictions for a period of no less than 14 days. At the time of writing, this includes pubs and bars that are not operating as restaurants under Tier 2 arrangements, extending to a wider range of hospitality and entertainment businesses under tier 3, as detailed in full at <https://www.gov.uk/guidance/local-restriction-tiers-what-you-need-to-know#high-alert>

Businesses must be closed for the entirety of the 14-day payment cycle to be eligible. If a business is open and then decides to close during a payment cycle, it will only become eligible when it enters the next 14-day payment cycle.

If a business is required to close its main, in-person service but adapts its business to operate takeaway, click and collect or online with delivery services, it will be considered closed and be eligible to receive grants under this scheme because its substantive business must close.

Businesses will need to notify their Local Authority if they no longer meet the eligibility criteria for additional grants at any point in any local restrictions period. For example, if they become insolvent.

### Exclusions

The following businesses will not be eligible for LRGS (Closed) funding:

- Businesses subject to local restrictions for less than 14 days and business that are closed for less than 14 days.
- Businesses in areas outside the scope of the localised restrictions, as defined by Government.
- Businesses that have chosen to close but not been required to do so.
- Business that have already received grant payments that equal the maximum levels of State aid under the de minimis and the Covid-19 Temporary State Aid Framework.



- Businesses that were in administration, are insolvent or where a striking-off notice has been made.
- Specific businesses subject to national closures since 23 March 2020 (however, in the event of renewed national lockdown restrictions being imposed, such businesses will received funding from the LRSG detailed within the National Lockdown Business Support Policy (referred to in government guidance as the LRSG (closed) addendum scheme, subject to adaptations)).

## Grant Amounts

Grant amounts will be fixed based on the rateable value of the business at the below rates, and payable fortnightly. Subject to State aid limits, businesses with more than one qualifying property will be entitled to receive a grant for each eligible property within the restriction area.

<b>Business Rateable Value</b>	<b>Grant amount per 14 days*</b>
Businesses with a rateable value of or below £15,000	£667
Businesses with a rateable value between £15,001 and £51,000	£1,000
Businesses with a rateable value of more than £51,000	£1,500

\*Funding amounts will be paid on a pro-rata basis should tier periods be greater or less than 14 days.

## LRSG (Open)

### Eligibility

From 2 December 2020, the LSRG (Open) is available to businesses who have not been required to close under the local tier system, but who have been severely impacted by Tier 2 and 3 restrictions, for example businesses that form part of the supply chain to others that have been



forced to close. These businesses will need to demonstrate a severe, direct impact of the restrictions in terms of significantly reduced sales, revenue and/or income because of the lockdown.

## Exclusions

The following businesses will not be eligible for LRGS (Open) funding:

- Business that have already received grant payments that equal the maximum levels of State aid under the de minimis and the Covid-19 Temporary State Aid Framework.
- Businesses that were in administration, are insolvent or where a striking-off notice has been made.

## Grant Amounts

Grant amounts will be fixed based on the rateable value of the business at the below rates, and payable fortnightly. Subject to State aid limits, businesses with more than one qualifying property will be entitled to receive a grant for each eligible property within the restriction area.

<b>Business Rateable Value</b>	<b>Grant amount per 14 days*</b>
Businesses with a rateable value of or below £15,000	£467
Businesses with a rateable value between £15,001 and £51,000	£700
Businesses with a rateable value of more than £51,000	£1,050

\*Funding amounts will be paid on a pro-rata basis should tier periods be greater or less than 14 days.

## Funding Payment

The person who was registered as the ratepayer on the Council's records on the first full day of local restrictions is eligible to receive the grant. If there is any reason to believe this to be incorrect, the Council may take reasonable steps to identify the correct ratepayer. Grants may be liable for recovery if the recipient is later found not to be eligible. Businesses that are not registered to pay



Business Rates are not eligible to receive the LRSG (Closed) or LRSG (Open), but instead may be able to access support via the Additional Restrictions Support Grant Scheme (ARGS) as detailed in the National Lockdown Business Support Policy.

## Rating List Changes

Any changes to the rating list (rateable value or to the property) after the first full day of localised restrictions and business closures regulations came into force, including changes which have been backdated to this date, will be ignored for the purposes of eligibility. South Cambridgeshire District Council is not required to adjust, pay, or recover grants where the rating list is subsequently amended retrospectively to the date that local restrictions began. In cases where it was factually clear to South Cambridgeshire District Council on the local restriction date that the rating list was inaccurate, the grant may be withheld and/or awarded based on the Council's view of who would have been entitled to the grant had the list been accurate. This is entirely at the discretion of South Cambridgeshire District Council and only intended to prevent manifest errors

## Application Process

All grants will require an online application form to be completed, which will be published on our website when the schemes are launched.

The application process will allow the Council to undertake proportionate pre-payment checks to confirm eligibility relative to the scheme in question and to allow the appropriate level of grant to be identified.

## 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@scamb.gov.uk](mailto:businessgrants@scamb.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.

## **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, to any one organisation over a three fiscal year period, provided doing so does not exceed the €200,000 threshold<sup>1</sup>. Payments made where the De Minimis threshold has been reached should be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000)

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 (CJON) 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 U.K. Government has notified the CION of its intention to use the new provision and must await approval from the CION 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 LRSB schemes once the U.K. Government has approval. See announcement:

[https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_1872](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1872)