



South Cambridgeshire District Council: Restart Grants Policy

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Introduction

On 3rd March 2021, the Government announced the introduction of a one-off 'Restart Grants' funding scheme, to be administered by business rate billing authorities such as South Cambridgeshire District Council, for non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses in England.

The Restart Grant scheme will support businesses that are predominantly reliant on delivering in-person services for the general public in the sectors mentioned above. This policy sets out how South Cambridgeshire District Council will deliver this grant funding.

Restart Grant Scheme Details

Restart Grants are one-off payments that are available from 01 April 2021 to businesses on the ratings list.

Under strand one of the scheme, grants of up to £6,000 will be paid to non-essential retail business premises to help them to reopen safely. Under strand two of the scheme, grants of up to £18,000 will be allocated to hospitality, accommodation, leisure, personal care and gym business premises, which may open and who will be more impacted by restrictions when they do reopen.

The level of grant that will be paid under both strand one and two will depend on the rateable value of the premises as shown on the rating list on 01 April 2021. Any changes to the rating list (rateable value or to the property) after 01 April 2021 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 01 April 2021. In cases where it was factually clear to South Cambridgeshire District Council on 01 April 2021 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.



Subject to subsidy allowance conditions, businesses will be entitled to receive a grant for each eligible premises. As such, some businesses may receive more than one grant where they have more than one eligible property

General Eligibility And Exclusions

Businesses must have been trading on 01 April 2021 to be eligible for this scheme. A business is considered to be trading if it is engaged in business activity. Fully constituted business in liquidation, dissolved, struck off or subject to a striking-off notice are not eligible. Some indicators that a business is trading include:

- The business has staff on furlough
- The business continues to trade online, via click and collect services etc.
- The business is engaged in business activity; managing accounts, preparing for reopening, planning and implementing Covid-safe measures etc.

The following exclusions apply to both strand one and strand two of the Restart Grant scheme:

- Businesses that are not within the ratings system
- Businesses that have already received grant payments that equal the maximum permitted subsidy allowances
- Businesses that are in administration, insolvent or where a striking-off notice has been made

Strand One or Strand Two: The Main Service Principle

If a business that operates services that could be considered non-essential also falls into a strand two category, such as hospitality, the 'main service principle' will be used to determine which of the strands the business is eligible for. Under this principle, the main service of the business will be determined by assessing which category constitutes 50% or more of their overall business. The business will then be eligible for the strand that this main service falls under. Businesses will need to declare which is their main service and SCDC will exercise reasonable judgement to determine whether a business is eligible, and if so, which strand it is eligible for.



Strand One: Restart Grant Support for Non-Essential Retail Premises

Strand One of the Restart Grant scheme will support non-essential retail premises with one-off grants of up to £6,000. The amount of grant available will depend on the rateable value of the retail premises, as follows:

Business Rateable Value*	Grant Amount
Businesses with a rateable value on or below £15,000	£2,667
Businesses with a rateable value between £15,001 and £51,000	£4,000
Businesses with a rateable value of more than £51,000	£6,000

*As of 01 April 2021.

Strand One Eligibility Details and Exclusions

Strand One funding is available to support non-essential retail premises. A non-essential retail business is defined as a business that is used mainly or wholly for the purposes of retail sales or hire of goods or services by the public, where the primary purpose of products or services provided are not necessary to the health and well-being of the public.

As per government guidelines, for the purposes of this scheme the definition of a non-essential retail business excludes the following business types, who are therefore ineligible for this funding:

- Food retailers (including food markets), supermarkets, convenience stores, corners shops, off licences, breweries, pharmacies, chemists, newsagents, animal rescue centres and boarding facilities, building merchants, petrol stations, vehicle repair and MOT services, bicycle shops, taxi and vehicle hire businesses, education providers including tutoring services, banks, building societies and other financial providers, post offices, funeral directors, laundrettes and dry cleaners, medical practices, veterinary surgeries and pet shops, agricultural supply shops, garden centres, storage and distribution facilities,



wholesalers, employment agencies and businesses, office buildings, automatic car washes and mobility support shops.

Strand Two: Restart Grant Support for Hospitality, Accommodation, Leisure, Personal Care And Gym Businesses

Strand Two of the Restart Grant scheme will support Hospitality, Accommodation, Leisure, Personal Care and Gym Businesses with one-off grants of up to £18,000. The amount of grant available will depend on the rateable value of the retail premises, as follows:

Business Rateable Value*	Grant Amount
Businesses with a rateable value on or below £15,000	£8,000
Businesses with a rateable value between £15,001 and £51,000	£12,000
Businesses with a rateable value of more than £51,000	£18,000

*As of 01 April 2021.

Strand Two Eligibility Details and Exclusions

Strand Two of the Restart Grant scheme will support Hospitality, Accommodation, Leisure, Personal Care and Gym Businesses. Please see below for further definitions and exclusions relating to each of these categories.

Hospitality

Hospitality businesses are those whose main function is to provide a venue for the consumption and sale of food and drink.

As per government guidelines, for the purposes of this scheme the definition of a non-essential retail business excludes the following business types, who are therefore ineligible for this funding:



- Food kiosks and businesses whose main service is a takeaway (not applicable to those that have adapted to offer takeaways during periods of restrictions, in alignment with previous COVID-19 business grant schemes).

Leisure

Leisure businesses are those that provide opportunities, experiences and facilities, in particular for culture, recreation, entertainment, celebratory events and days and nights out.

As per government guidelines, for the purposes of this scheme the definition of a non-essential retail business excludes the following business types, who are therefore ineligible for this funding:

- All retail businesses, coach tour operators, tour operators and telescopes.

Accommodation

Accommodation businesses are those whose main lodging provision is used for holiday, travel and other purposes.

As per government guidelines, for the purposes of this scheme the definition of a non-essential retail business excludes the following business types, who are therefore ineligible for this funding:

- Private dwellings, education accommodation, residential homes, care homes, residential family centres, beach huts.

Gym and Sports

Gym and Sports businesses are commercial or non-profit establishments where physical exercise or training is conducted on an individual or group basis, using exercise equipment or open floor space with or without instruction, or where individual and group sporting, athletic and physical activities are participated in competitively or recreationally.

As per government guidelines, for the purposes of this scheme the definition of a non-essential retail business excludes the following business types, who are therefore ineligible for this funding:

- Home gyms, home exercise studios, home sports courts and home sports grounds.



Personal Care

Personal care businesses are those which provide services, treatments or activities for the purposes of personal beauty, hair, grooming, body care and aesthetics, and wellbeing.

As per government guidelines, for the purposes of this scheme the definition of a non-essential retail business excludes the following business types, who are therefore ineligible for this funding:

- Businesses that only provide personal care goods, rather than services; businesses used solely as training centres for staff, apprentices and others; businesses providing dental services, opticians, audiology services, chiropody, chiropractors, osteopaths and other medical or health services, including services which incorporate personal care services, treatments required by those with disabilities and services relating to mental health.

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. By accepting grant payments, businesses confirm that they are eligible for the grant scheme.

The application closure date for this scheme is 30 June 2021 and final payments will be made by 31 July 2021. Should there be any extension or change to this scheme, details of this will be publicised on our website.

The business that according to the authority's records was the ratepayer in respect of the premises on 01 April 2021 is eligible to receive the grant. Where there is reason to believe that the information held about the ratepayer is inaccurate, SCDC may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. The grant funding will be liable for recovery if the recipient was not the ratepayer on the eligible day.



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@scambbs.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.

Subsidy Allowance & Tax Matters

Any payments accepted will follow subsidy allowance requirements. The requirements for subsidy allowance 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. Any payments made before 05 April 2021 will fall into the 2020/21 tax year. Payments after 06 April will fall into the 2021/22 tax year.

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 – Subsidy Allowance Requirements

The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period, which ended on 31 December 2020. This does not impact the limited circumstances in which State aid rules still apply under the Withdrawal Agreement, specifically Article 10 of the Northern Ireland Protocol. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. [BEIS Guidance](#) for public authorities explaining the subsidies chapter of the TCA, World Trade Organisation rules on subsidies, and other international commitments can be found online.

On Thursday 4 March new subsidy allowances were established for the COVID19 business grants schemes, on the basis of the principles set out in Article 3.4 of the TCA.

Updated COVID-19 business grants subsidy allowances provided on the basis of the TCA

The below scheme rules should be applied to applicants at the level of economic actor, which is defined as an entity or a group of entities constituting a single economic entity regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.

There are three subsidy allowances for this scheme set out below: Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance.

Small Amounts of Financial Assistance Allowance

Grants may be paid in accordance with Article 3.2(4) of the TCA, which enables an applicant to receive up to a maximum level of subsidy without engaging Chapter 3 of the TCA. This allowance is 325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021. An applicant may elect not to receive grants under the Small Amounts of Financial Assistance Allowance and instead receive grants only using the below allowances available under this scheme.



Covid-19 Business Grant Allowance

Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid in compliance with the Principles set out in Article 3.4 of the TCA and in compliance with Article 3.2(3) of the TCA under the COVID-19 Business Grant Allowance (subsidies granted on a temporary basis to respond to a national or global economic emergency). For the purposes of these scheme rules, this allowance is £1,600,000 per single economic actor. This allowance includes any grants previously received under the COVID-19 business grant schemes and any State aid previously received under Section 3.1 of the European Commission's Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).

Covid-19 Business Grant Special Allowance

Where an applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, it may be able to access a further allowance of funding under these scheme rules of up to £9,000,000 per single economic actor, provided the following conditions are met:

- a. The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and 31 March 2022, including such costs incurred in any part of that period ('eligible period');
- b. Applicants must demonstrate a decline in turnover during the eligible period of at least 30% compared to the same period in 2019. The calculation of losses will be based on audited accounts or official statutory accounts filed at Companies House, or approved accounts submitted to HMRC which includes information on the applicant's profit and loss;
- c. 'Uncovered fixed costs' means fixed costs not otherwise covered by profit, insurance or other subsidies;



d. The grant payment must not exceed 70% of the applicant's uncovered fixed costs, except for micro and small enterprises (for the purposes of this scheme defined as less than 50 employees and less than £9,000,000 of annual turnover and/or annual balance sheet), where the grant payment must not exceed 90% of the uncovered fixed costs;

e. Grant payments under this allowance must not exceed £9,000,000 per single economic actor. This allowance includes any grants previously received in accordance with Section 3.12 of the European Commission's Temporary Framework; all figures used must be gross, that is, before any deduction of tax or other charge;

f. Grants provided under this allowance shall not be cumulated with other subsidies for the same costs.

An applicant must be able to provide the necessary documentation to demonstrate it is eligible for funding under this COVID-19 Business Grant Special Allowance. Local Authorities must first verify that an applicant can meet all the criteria set out under this allowance before providing further funding under this allowance.

Grants provided in excess of the Small Amounts of Financial Assistance Allowance may not be granted to applicants that were defined as an 'undertaking in difficulty' (as defined in Annex B below) on 31 December 2019. In derogation to the above, grants can be granted to micro or small enterprises (as defined above) that were already in difficulty on 31 December 2019 provided that they are not subject to collective insolvency proceedings.

Local Authorities must ensure the remaining applicable provisions of the subsidies chapter of the TCA are complied with. In particular, the [Transparency obligations under Article 3.7](#). All schemes and individual awards over £500,000 must be uploaded within six months of being granted. Any ad hoc awards of at least 325,000 Special Drawing Rights over three years to an individual beneficiary must also be uploaded within six months of being granted. For access to and any further questions on the database, please contact the BEIS subsidy control team at subsidycontrol@beis.gov.uk.



Local Authorities still need to comply with reporting requirements to the European Commission in respect of grants previously granted under the European Commission's Temporary Framework before the Transition Period ended on 31 December 2020.

General

BEIS may vary the terms of these schemes or suspend or close the schemes with immediate effect, without notice and at any time.

For the avoidance of doubt, grants under the Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance may be combined for a potential total allowance of £10,935,000 (taking into account all grants previously received under the COVID-19 business grants schemes and subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).