

Cheltenham Borough Council

Local Restrictions Support Grant (Open)Scheme

Contents

Definitions

- 1.0 Purpose of the Scheme and background
- 2.0 Funding
- 3.0 Eligibility criteria and awards
- 4.0 Eligibility criteria determined by the Council
- 5.0 Award Levels
- 6.0 Excluded Businesses
- 7.0 The Effective Date
- 8.0 Who can receive the grant?
- 9.0 How will grants be provided to Businesses?
- 10.0 EU State Aid requirements
- 11.0 Scheme of Delegations
- 12.0 Application and Award Periods
- 13.0 Notification of Decisions
- 14.0 Review of Decisions
- 15.0 Complaints
- 16.0 Taxation and the provision of information to Her Majesty's Revenues And Customs (HMRC)
- 17.0 Managing the risk of fraud
- 18.0 Recovery of amounts incorrectly paid
- 19.0 Data Protection and use of data

Definitions

The following definitions are used within this document:

‘Additional Restrictions Grant (ARG)’ means the additional funding provided by Government. Funding will be made available to eligible Local Authorities at the point that national restrictions are imposed or at the point, the Local Authority first entered LCAL 3 local restrictions;

‘Covid-19’ (coronavirus); means the infectious disease cause by the most recently discovered coronavirus;

‘Department for Business, Energy & Industrial Strategy (BEIS)’: means the Government department responsible for the scheme and guidance;

‘Effective date’; Means, for eligibility of the grant, the date of Tier 2 and Tier 3 restrictions. For the purpose of this scheme, the date is 2nd December 2020

Hereditament; means the assessment defined within Section 64 of the Local Government Finance Act 1988

‘Local Covid Alert Level’ (LCAL) means the level of alert determined by Government and Local Authorities for the area. LCALs have three Tiers. Tier 1 (Medium): Tier 2 (High) and Tier 3 (Very High). For the purposes of these schemes, the definitions used are LCAL1, LAL2 and LCAL3.

‘Local lockdown’; means the same as ‘Local restrictions’;

‘Local rating list’; means the list as defined by Section 41 of the Local Government Finance Act 1988

‘Local restrictions’; and **‘Localised restrictions’** means legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures;

‘Local Restrictions Support Grant Scheme (Closed); means the grant scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 9th September 2020 and amended on 9th October 2020 and which is applicable to businesses forced to close under either LCAL3 or where national restrictions are in place;

Local Restrictions Support Grant Scheme (Open); means the grant scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 22nd October 2020 and which is applicable to businesses that are still open but severely impacted by the restrictions imposed by LCAL2 and LCAL3;

'Local Restrictions Support Grant Scheme (Closed) Addendum'; means the changes made to the Local Restrictions Support Grant Scheme (Closed due to widespread nationwide restrictions);

'Local Restrictions Support Grant Scheme (Sector)'; means the grant scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 9th October 2020 (effective from 1st November) and which is applicable to businesses that have been required to close on a national basis since 23rd March 2020 due to restrictions being put in place to manage coronavirus;

'Rateable value' means the rateable value for the hereditament shown in the Council's local rating list at the date of the local restrictions

'Ratepayer'; means the person who, according to the Council's records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the local restrictions or widespread national restrictions;

'State Aid Framework'; means the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020; and

'Temporary Framework for State aid'; means the same as the **'State Aid Framework'**.

1.0 Purpose of the Scheme and background.

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council's Local Restrictions Support Grant Open Scheme (LRSG Open). The Council, as the Business Rates Billing Authority is responsible for payment of these grants.
- 1.2 This Local Restrictions Support Grant (Open) Scheme has been developed by the Council in response to an announcement made by the Government on 22nd October 2020 which sets out circumstances whereby a grant payment may be made by the Council to businesses which are not legally required to close but which are severely impacted by the localised restrictions put in place to manage coronavirus and save lives. On Monday 23 November, the Government's COVID-19 Winter Plan was published, with changes announced to the Tier system.
- 1.3 Whilst the awarding of grants will largely be at the Council's discretion, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria that **must** be met by each business making an application. The Department has also indicated the types of business that should be given priority for the grant
- 1.4 This scheme applies for periods of local restrictions from 2nd December 2020.
- 1.5 No grant shall be paid for any period prior to 2nd December 2020.
- 1.6 This grant scheme will only be available in respect of periods the authority is subject to Tier 2 or Tier 3 restrictions
- 1.7 In the event of renewed widespread national restrictions being imposed, the Local Restrictions Support Grant (Open) will cease to apply, as relevant businesses will receive funding through the LRSG (Closed), subject to addendums
- 1.8 Grants under this scheme will be available for the 2020/21 financial year only

2.0 Funding

- 2.1 Local Authorities entering Tier 2 or Tier 3 restrictions will receive LRSG (Open) payments based on 14-day eligibility cycles
- 2.2 Local Authorities will receive funding to meet the cost of grants to businesses within the business rates system based on an assessment of the number of eligible business
- 2.3 The Government has announced funding tiers for the (LRSG Open) scheme as a guide for Local Authorities

3.0 Eligibility criteria and awards

- 3.1 The council has decided that businesses in the hospitality, hotel, bed & breakfast and leisure sectors, detailed in 4.1 below, will be eligible to apply for The Local Restrictions Support Grant (Open) LRSG (Open) scheme
- 3.2 Eligible businesses are those that have not been legally required to close but are severely impacted by Tier 2 or 3 restrictions
- 3.3 Businesses must be established and trading from the premises on the day prior to the introduction of Tier 2 or Tier 3 restrictions. Where businesses were required to close due to the national restrictions preceding the local restrictions, it is accepted that those businesses are still trading
- 3.4 Businesses must be business ratepayers with a valid business rate account, or in the case of bed and breakfast, also a valid council tax account to be eligible for this scheme
- 3.5 Government, whilst wanting Councils to exercise their local discretion, has strongly suggested that the Council follow its criteria for these awards. The Council has decided to adopt the these principles and in all cases the Council will only consider businesses for grants where all of the criteria is met
- 3.6 Grant payment made under this scheme will be subject to tax (where a profit is made). A business can claim one grant for each property it has that meets the eligibility criteria
- 3.7 Businesses eligible for a grant payment under this scheme will be required to submit an application form and any required evidence
- 3.8 Businesses must notify the Council immediately if the cease to meet any of the eligibility requirements of this scheme

4.0 Eligibility criteria determined by the Council

- 4.1 For the purposes of this scheme the Council has decided that the following hospitality, hotel, bed & breakfast and leisure businesses will be eligible, subject to all other requirements being met

Hospitality

The following businesses in the hospitality sector must be open, serving food and drink to customers from the premises (where required by law food means a substantive meal)

- Pubs
- Bars
- Wine bars
- Restaurants
- Café's
- Coffee shops

Hotel, Bed and Breakfast

The following businesses providing accommodation

- Hotel
- Guest house
- boarding house
- Holiday accommodation
- Bed and breakfasts (including those registered for council tax – see details below)
- Campsites and caravan parks
- Function venues providing accommodation

Leisure

Businesses providing the following types of leisure facilities to the general public

- Theatres
- Cinemas
- Sports grounds, sports centres and sports clubs open to the general public
- Swimming pools open to the general public
- Indoor games venues (e.g. Escape Rooms)
- Gyms
- Spas
- Bowling alleys, soft play centres and areas

Bed and Breakfast premises which pay council tax instead of business rates

The Council will consider the business if:

- the Bed and Breakfast property is domestic and therefore subject to council tax rather than business rates;
- It provides short stay accommodation for no more than six persons at any one time within the past year;
- The property is the sole or main residence of the proprietor(s) and the bed and breakfast use is subsidiary to the private use
- The business was trading on 2nd December 2020 (see paragraph 3.3) and
- There must be at least two rooms capable of being let separately.

In determining subsidiary use the Council shall take into account:

- Whether the majority of the premises is being used for business purposes:
and
- If the premises have been adapted to alter the character of the property beyond that of a private house

The Council has determined that, any premises where it considers that the Bed and Breakfast business is basically 'home sharing' and where advertising is wholly undertaken through 'home sharing' websites, will be excluded from the this scheme

5.0 Award Levels

5.1 The Council has decided that the following grant funding levels announced by Government will apply:

- (a) Businesses occupying premises appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions or Bed and Breakfast subject to council tax

One grant payment of up to £467 per 14-day period that restrictions remain in place

- (b) Businesses occupying premises appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on the date of the commencement of the local restrictions, or

One grant payment of up to £700 per 14-day period that restrictions remain in place

- (c) Businesses occupying premises appearing on the local rating list with a rateable value of exactly £51,000 or above on the date of the commencement of the local restrictions, or

One grant payment of up to £1,050 per 14-day period that restrictions remain in place

6.0 Excluded businesses

6.1 The following businesses will **not** be eligible for an award:

- (a) Businesses that were not trading on 2nd December 2020
- (b) Businesses that do not meet the criteria in sections 3 and 4 above
- (c) Businesses that are not business ratepayers (apart from Bed and Breakfast in registered for council tax)
- (d) Businesses that do not provide the information requested
- (e) Businesses, where required, have not supplied sufficient information to demonstrate they have been severely impacted
- (f) Businesses which have already received grant payment that equal the maximum levels of State aid permitted under the de minimis and the COVID-19 Temporary State Aid Framework; and
- (g) Businesses that were in administration, are insolvent, are dissolved, about to be dissolved or where a striking-off notice has been made on or after 2nd December 2020

7.0 The Effective Date

7.1 The effective date for eligibility is the date of Tier 2 or Tier 3 restrictions being imposed (Businesses **must** have been trading on the first full day of national restrictions to be eligible to receive grant support).

8.0 Who can receive the grant?

8.1 The person or business entitled to receive the grant will be the business ratepayer or in the case of Bed and Breakfast, the council tax payer

8.2 Where the Council has reason to believe that the information it holds about the business, or has been provided by the business, at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.

8.3 Where, it is subsequently determined that the records held, or information provided, are incorrect, the Council reserves the right to recover any grant incorrectly paid.

8.4 Where any business misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any grant paid and take appropriate legal action. Likewise, if any ratepayer is found to have falsified records in order to obtain a grant.

9.0 How will grants be provided to Businesses?

9.1 Payment of a grant under this scheme will only be paid to a valid bank account. For limited companies payment will only be made to company or trading bank account

9.2 Details of how to obtain grants are available on the Council's website:

- 9.3 In all cases, businesses will be required to confirm that they are eligible to receive the grants. This includes circumstances where the Council already has bank details for the business and are in a position to send out funding immediately. Businesses are under an obligation to notify the Council should they no longer meet the eligibility criteria for any additional grants.
- 9.4 The Council reserves the right to request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.
- 9.5 An application for a Local Restrictions Support Grant is deemed to have been made when a duly completed application form is received via the Council's online procedure.
- 9.6 All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

10.0 EU State Aid Requirements

- 10.1 Any grant is given as aid under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19th March 2020. This means that businesses receiving support under these provisions can receive up to €800,000 in aid over three years (being the current and the previous two years).
- 10.2 Any grant awarded is required to comply with the EU law on State Aid. This will involve the applicant declaring to the Council if they have received any other de minimis State aid or aid provided under the EU Commission COVID-19 Temporary Framework.
- 10.3 If the applicant has not received any other de minimis State aid, they are not required to make that declaration to the Council or to complete any declaration statement.

11.0 Scheme of Delegation

- 11.1 Cabinet has approved this scheme.
- 11.2 Officers of the Council will administer the scheme and the Head of Revenues and Benefits in consultation with the Cabinet Member for Finance is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Government guidance.

12.0 Application and Award Periods

- 12.1 An application form will be available on the Council's website from 23 December 2020. The application window will be open during periods that local restrictions Tier 2 or Tier 3 are in place and for 7 days after the local restrictions end.

- 12.2 After the initial payment in respect of the period commencing 2nd December grant payments will be made at 14-day rolling period intervals.
- 12.3 Business will not be required to submit applications for subsequent periods but will be required to verify they still meet the eligibility criteria.

13.0 Notification of Decisions

- 13.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.
- 13.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after an application is received.

14.0 Review of Decisions

- 14.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
- 14.2 All such requests must be made in writing to the Council within 14 days of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal.
- 14.3 The applications will be reconsidered by a senior officer, as soon as practicable and the applicant informed in writing or by email of the decision.

15.0 Complaints

- 15.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.

16.0 Taxation and the provision of information to Her Majesty's Revenue and Customs (HMRC)

- 16.1 The council has been informed by Government that all payments under the scheme are taxable.
- 16.2 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.
- 16.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

17.0 Managing the risk of fraud

- 17.1 Neither the Council, nor Government will accept deliberate manipulation of the schemes or fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding will be recovered from them.

17.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant will be passed to Government.

18.0 Recovery of amounts incorrectly paid

18.1 If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

19.0 Data Protection and use of data

19.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices, which are available on the Council's website.