# City of Lincoln Council

**Closed Business Grant Support Policy**

# Covid-Restrictions 5th November 2020 –31 March 2021 **1. Introduction**

Government has provided funding to the City of Lincoln Council to administer several grant schemes to support businesses during periods of national and local restrictions as a result of the covid crisis.

These schemes are summarised in the diagram below.



This policy sets out the criteria under which businesses will quantify to make an application for the **Closed Business Grant Schemes** and the evidence required in support of an application.

A separate policy is in place to cover the Open but Impacted Business Grant Schemes.

Grants covered by this policy will be in accordance with the issued Government Guidance. A full suite of guidance documents can be accessed via the following link:

<https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>

## **2. Qualifying Criteria**

To quality for support under the mandatory Local Restrictions Support Grant (LRSG) businesses must **have a separate business rates account** and:

* Have been open and trading as usual from their business premises on the day preceding the commencement of the restrictions or the eligible date as set out in the respective Government Guidance. See Appendix A for summary of eligible dates in respect of each grant.

A business is considered to be trading if it is engaged in business activity (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.

* Have been mandated to close due to local or national restrictions as a result of The Health Protection (Coronavirus, Restrictions) (England) (No. 4) Regulations 2020 (see Appendix B). A further note on dog grooming establishments is included as Appendix C.
* And have been registered as the liable business rate payer on first day of the commencement of the restrictions or the eligible date as set out the respective Government Guidance.

Where a business premises (known as a hereditament for business rate purposes) has a mix of uses and only part of the business is subject to national closures (e.g. locksmith/shoe repairs, restaurant/takeaway), the hereditament will be eligible to receive a grant if the business is required to **close its main service**.

Businesses that are required to close but then diversify to remain open in part (e.g. restaurants/cafes that close but retain a takeaway service or shops that close but retain a click and collect facility) will still be eligible for a grant.

Any business providing a closed self-declaration status as part of the grant application process will be passed onto our Environmental Health Team who will record them as a ‘closed’ business for the purposes of the Health Protection (Coronavirus, Restrictions) (England) (No.3) Regulations 2020.

Closed businesses that **don’t have a separate business rates account** may qualify for support under the discretionary Additional Restrictions Grant (ARG). In this case, businesses must:

* Have been open and trading as usual from their business premises on the day preceding the commencement of the restrictions or the eligible date as set out in the respective Government Guidance (see above for further information).
* Provide evidence through business bank account records and signed agreements of on-going premises costs or fixed business costs with a primary business purpose or trading use of over £1500 pa.

Examples of businesses that may qualify for support under the discretionary scheme, subject to full due diligence checks are as follows:

* small businesses in shared spaces that don't have a separate business rates account
* regular market traders (indoor or outdoor) with fixed property costs
* self-employed who rent a space in a property that is registered for business rates (for example: a hairdresser renting a chair)
* overnight accommodation providers and public houses

## **3. Exclusions**

* Businesses that are able to continue to trade because their substantive business does not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors).
* Businesses that have chosen to close but not been required to close by law will not be eligible for a grant.
* Businesses that are in liquidation or dissolved or subject to a striking off notice, or are defined as an undertaking in difficulty on 31 December 2019, (See Appendix D).
* Businesses which have already received grant payments that equal the maximum levels of subsidy permitted under these schemes (State Aid De Minimise andCovid-19 Temporary State Aid Framework thresholds currently apply).
* Home based businesses with no business rate accounts or clearly distinct and separate on-going business premises costs or fixed business costs, with the exception of overnight accommodation providers.

## **4. Grant Conditions**

For Businesses eligible under the **Local Restrictions Support Grant:**

One grant per eligible period may be claimed for each eligible premises liable for business rates. The grant scheme will apply to the payment cycle outlined in the diagram above.

Businesses may apply for this fund regardless of any other national or local COVID-19 grants or loans already received (subject to subsidy thresholds).

Subject to subsidy limits (see section 5 below), businesses will be entitled to receive a grant for each eligible hereditament during the time national restrictions are imposed. Some businesses may receive more than one grant where they have more than one eligible hereditament.

Grants will only be payable to the liable party who according to the Local Authority’s billing records was the ratepayer in respect of the hereditament or the liable party in respect of the lease or mortgage agreement on the date of the first full day of national restrictions to qualify for support.

Where the Local Authority has reason to believe that the information that they hold about the ratepayer/liable party on the first full day of the national restrictions is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct party.

For Businesses eligible under the **Additional Restrictions Grant** all conditions are as for the Local Restrictions Support Grant Scheme. The following will also apply.

* The grant will be a one-off discretionary payment and there shall be no guarantee of ongoing funding support. This funding cannot be used to supplement wages/income but rather it is to support business costs. Therefore, grants must be proportional to the level of fixed costs.

**5. Subsidy**

The United Kingdom is bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.

On Thursday 4 March new subsidy allowances were established for the COVID-19 business grants schemes. There are three subsidy allowances for this scheme set out below:

**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 **equivalent to £335,000** as at 2 March 2021[[1]](#footnote-2).

**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.

**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:

* The Special Allowance covers only the applicant’s uncovered fixed costs (costs not otherwise covered by profit, insurance or other subsidies) incurred during the period between 1 March 2020 and 31 March 2022;
* 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;
* The grant payment must not exceed 70% of the applicant’s uncovered fixed costs, except for micro and small enterprises (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;
* Grant payments 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;
* Grants provided under this allowance shall not be cumulated with other subsidies for the same costs;
* Applicants must be able to provide the necessary documentation to demonstrate it is eligible for funding under this COVID-19 Business Grant Special 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’ on 31 December 2019. In derogation to the above, grants can be granted to micro or small enterprises that were already in difficulty on 31 December 2019 provided that they are not subject to collective insolvency proceedings.

Please also see the current scheme rules: [Business Support Package for January 2021 lockdown: guidance for local authorities (publishing.service.gov.uk)](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/966852/20210304_Business_Support_Package_for_January_Lockdown_LA_guidance.pdf)

## **6. Declaration**

All business will need to sign a declaration form to confirm that they are the liable party, that the business is eligible in accordance with the scheme conditions and to confirm the accuracy of all information within the application form.

The Council will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back as may any grants paid in error.

## **7. Grant Awards**

For Businesses that **have a separate business rates account** qualifying under the Local Restrictions Support Grant;

* The eligible business rate payer appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the national restrictions will receive a payment of
	+ £1,334 per 28-day qualifying restriction period.
	+ £238 for the 5 day qualifying period of 31 December 2020 to 5 January 2021
	+ £ 2001 for the 42 day qualifying period of 6 January 2021 to 15 February 2021
	+ £2096 for the 44day qualifying period of 16 February 2021 to 31 March 2021
	+ Pro-rata payments will be made in line with guidance during Tier 3 or Tier 4 local restrictions
* The eligible business rate payer appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the national restrictions will receive a payment of
	+ £2,000 per 28-day qualifying restriction period.
	+ £ 357 for the 5 day qualifying period of 31 December 2020 to 5 January 2021
	+ £ 3000 for the 42 day qualifying period of 6 January 2021 to 15 February 2021
	+ £3,143 for the 44day qualifying period of 16 February 2021 to 31 March 2021
	+ Pro-rata payments will be made in line with guidance during Tier 3 or Tier 4 local restrictions
* The eligible business rate payer Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the national restrictions, will receive a payment of:
	+ £3,000 per 28-day qualifying restriction period.
	+ £536 for the 5 day qualifying period of 31 December 2020 to 5 January 2021
	+ £4500 for the 42 day qualifying period of 6 January 2021 to 15 February 2021
	+ £4714 for the 44day qualifying period of 16 February 2021 to 31 March 2021
	+ Pro-rata payments will be made in line with guidance during Tier 3 or Tier 4 local restrictions
	+ Where interim payments are made payment amounts will be adjusted to ensure the total eligible amount is paid.

For Businesses that **don’t have a separate business rates account** qualifying under the Additional Restrictions Grant:

* Businesses with a rateable value or lease or mortgage costs and/or fixed ongoing business costs of between £1,500 and exactly £3,600 per annum on the date of the commencement of the national restrictions will receive a payment of:
	+ £667 as a one-off payment during the 28-day qualifying restriction period.
	+ £119 for the 5 day qualifying period of 31 December 2020 to 5 January 2021
	+ £1000 for the 42 day qualifying period of 6 January 2021 to 15 February 2021
	+ £1048 for the 44day qualifying period of 16 February 2021 to 31 March 2021
	+ Pro-rata payments will be made in line with guidance during Tier 3 or Tier 4 local restrictions
* Businesses with a rateable value or lease or mortgage costs and/or fixed ongoing business costs of over £3,600 and exactly £15,000 per annum on the date of the commencement of the national restrictions will receive a payment of:
	+ £1,334 as a one-off payment during the 28-day qualifying restriction period.
	+ £238 for the 5 day qualifying period of 31 December 2020 to 5 January 2021
	+ £2001 for the 42 day qualifying period of 6 January 2021 to 15 February 2021
	+ £ 2096 for the 44day qualifying period of 16 February 2021 to 31 March 2021
	+ Pro-rata payments will be made in line with guidance during Tier 3 or Tier 4 local restrictions
* Businesses with a rateable value or lease or mortgage costs and/or fixed ongoing business costs over £15,000 and less than £51,000 per annum on the date of the commencement of the national restrictions will receive a payment of:
	+ £2,000 as a one off payment during the 28-day qualifying restriction period.
	+ £357 for the 5 day qualifying period of 31 December 2020 to 5 January 2021
	+ £3000 for the 42 day qualifying period of 6 January 2021 to 15 February 2021
	+ £ 3143 for the 44day qualifying period of 16 February 2021 to 31 March 2021
	+ Pro-rata payments will be made in line with guidance during Tier 3 or Tier 4 local restrictions
* Businesses with a rateable value or lease or mortgage costs and/or fixed ongoing business costs of exactly £51,000 or above pa on the commencement date of the national restrictions, will receive a payment of:
	+ £3,000 as a one off payment during the 28-day qualifying restriction period.
	+ £536 for the 5 day qualifying period of 31 December 2020 to 5 January 2021
	+ £4500 for the 42 day qualifying period of 6 January 2021 to 15 February 2021
	+ £ 4714 for the 44day qualifying period of 16 February 2021 to 31 March 2021
	+ Pro-rata payments will be made in line with guidance during Tier 3 or Tier 4 local restrictions

Where interim payments are made payment amounts will be adjusted to ensure the total eligible amount is paid.

This Funding cannot be used to supplement wages/income but rather it is to support business costs. The Self-Employed Income Support Scheme and Coronavirus Job Retention Scheme are in place to provide those who are self-employed and employees with income support.

Therefore, grants must be proportional to the level of fixed costs. Grants may be awarded to businesses up to a cumulative value which is equivalent to the fixed cost limit (£3,600 or £15,000 or £51,000) in any one financial year to maintain proportionality and ensure the grant is not supplementing wages/income. Once the limit is reached, a business will not be eligible for any further grant funding.

**Full details of grant awards to be paid under the different restriction periods are set out in Appendix D.**

## **8. Application process**

Applications should be made online.

Businesses will be required to provide information to demonstrate eligibility. This includes:

* Business Bank Statement
* Most Recent Business Rates Bill or Signed Lease/Mortgage Statement with details of annual cost.
* Evidence of fixed business costs through signed agreements/paid invoices and business bank account transactions
* Declaration that the business is legally required to close, is eligible under the conditions outlined in this Policy and that receipt of grant complies with State Aid rules.

Payments to eligible businesses will be made once the application has been validated to confirm eligibility.

Businesses must tell the Council of any changes in circumstances that might affect eligibility for grant payments. Failure to do this could lead to grants being clawed back.

Please refer to [www.lincoln.gov.uk/support](http://www.lincoln.gov.uk/support) for the latest information on support available to businesses and local grants.

## **9. Timescales and Application Process**

The scheme will continue to operate until such time as closure restrictions and funding remains in place.

Applications must be submitted by 5pm 31 March 2021 for the following schemes:

* November National lockdown grants
* December Tier 3 lockdown grants
* January Tier 4 lockdown grants
* January National lockdown grant – 42 day, 5 January to 15 February 2021
* Closed Business Lockdown Payment

Applications must be submitted by 5pm 31 May 2021 for the following schemes;

* February National lockdown grant – 44 day, 16 February to 31 March 2021

Notice of the scheme closure will be given via the Council’s website [www.lincoln.gov.uk/support](http://www.lincoln.gov.uk/support) and via social media channels.

## **10. Additional Details**

Grant income received by a business is taxable. The Local Restrictions Support Grant will need to be included as income in the tax return of the business.

Only businesses which make an overall profit once grant income is included will be subject to tax.

The Council may withhold all or part of any grant payment where there is reason to believe that the eligibility conditions have not been met.

The government and the Council 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.

State Aid rules and requirements apply to this scheme.

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.

There shall be no right of appeal and the decision of the Council is final.

The Council reserves the right to vary the terms of the scheme at any time should it be necessary to do so.

## **11. Rating List Changes**

Any changes to the rating list (rateable value or to the hereditament) after the first full day of restrictions and business closures regulations came into force including changes which have been backdated to this date, should be ignored for the purposes of eligibility.

Local Authorities are 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 the Local Authority on the local restriction date that the rating list was inaccurate on that date, Local Authorities may withhold the grant and/or award the grant based on their view of who would have been entitled to the grant had the list been accurate. This is entirely at the discretion of the Local Authority and only intended to prevent manifest errors.

Where the Local Authority chooses to use this discretion then landlords and managing agents are urged to support the Local Authority in identifying quickly the correct ratepayers.

## **12. Business Rate Liability**

The City of Lincoln Council will investigate if any business applying shall be liable for business rates, if not already liable, where applicable.

If the business is liable for business rates and has arrears owed to the Council this may stop a grant being paid. The business may be given the opportunity to clear these arrears

**APPENDIX A**

**Qualifying and Scheme Closure Dates**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Restriction Period**  | **Grant Scheme**  | **Date business needed to be trading**  | **Date business needed to be closed**  | **Grant application closure date**  |
| Jan- Feb 20215 day42 day | Local Restrictions Support Grant (LRSG) (Closed) Addendum**Applicable to** **Closed Rate-Paying Businesses** | 4 January 21 | 5 January 21 | 31 March 21 |
| Jan- Feb 20215 day42 day | Additional Restrictions Grant (ARG)**Applicable to****Closed Non-Rate- paying Businesses** (and Open but Impacted Businesses) | 4 January 21 | 5 January 21\* | 31 March 21 |
| Jan- Feb 2021One off | Closed Business Lockdown Payment (CBLP)**Applicable to** **Closed Rate-Paying Businesses** | 4 January 21 | 5 January 21 | 31 March 21 |
| Feb – March 202144 day | Local Restrictions Support Grant (LRSG) (Closed) Addendum**Applicable to** **Closed Rate-Paying Businesses** | 4 January 21 | 5 January 21 | 31 May 21 |
| Feb – March 202144 day | Additional Restrictions Grant (ARG)**Applicable to****Closed Non-Rate- paying Businesses**  | 4 January 21 | 5 January 21 | 31 May 21 |

**APPENDIX B**

# Extract from Schedule 3A The Health Protection (Coronavirus, Restrictions) (All Tiers and Obligations of Undertakings) (England) (Amendment) Regulations 2020:

<https://www.legislation.gov.uk/uksi/2020/1611/contents/made>

Restricted businesses and services for purposes of Part 3 of this Schedule

15.—(1) The restricted businesses and restricted services for the purposes of this Part of this Schedule are those falling within sub-paragraph (2), (6) or (7). (2)

The following businesses and services fall within this sub-paragraph—

(a) nightclubs;

(b) dance halls;

(c) discotheques;

(d) any other venue (not falling within paragraph (b) or (c)) which—

(i) opens at night,

(ii) has a dance floor or other space for dancing by members of the public (and for these purposes members of the venue in question are to be considered members of the public), and

(iii) provides music, whether live or recorded, for dancing;

(e) sexual entertainment venues;

(f) hostess bars;

(g) any business which provides, whether for payment or otherwise—

(i) a waterpipe to be used for the consumption of tobacco or any other substance on the premises, or

(ii) a device to be used for the recreational inhalation of nicotine or any other substance on the premises.

(3) A business or service does not fall within sub-paragraph (2)(b), (c) or (d) if it ceases to provide music and dancing.

(4) In sub-paragraph (2)(e) “sexual entertainment venue” has the meaning given in paragraph 2A of Schedule 3 to the Local Government (Miscellaneous Provisions) Act 1982.

(5) In sub-paragraph (2)(f) “hostess bar” has the meaning given by paragraph 3B of that Schedule.

(6) The following businesses and services fall within this sub-paragraph—

(a) restaurants, including restaurants and dining rooms in hotels or members’ clubs;

(b) cafes, including workplace canteens, but not including—

(i) cafes or canteens at a hospital, care home, school, educational accommodation for students attending higher education courses or provider of post-16 education or training (as defined in paragraph 1(8) of Schedule 17 to the Coronavirus Act 2020),

(ii) canteens at criminal justice accommodation, immigration detention accommodation or an establishment intended for use by Her Majesty’s armed forces or for the purposes of the Department of the Secretary of State responsible for defence,

(iii) cafes or canteens at a higher education provider, where there is no practical alternative forstaff and students at that institution to obtain food or drink and alcohol is not served for consumption on the premises,

(iv) workplace canteens, where there is no practical alternative for staff at that workplace to obtain food or drink and alcohol is not served for consumption on the premises, or

(v) services providing food or drink to the homeless; 23 Document Generated: 2021-01-06 Changes to legislation: There are currently no known outstanding effects for the The Health Protection (Coronavirus, Restrictions) (All Tiers) (England) Regulations 2020, SCHEDULE3A. (See end of Document for details)

(c) bars, including bars in hotels or members’ clubs;

(d) public houses;

(e) businesses providing food or drink prepared on the premises for immediate consumption off the premises, but not including—

(i) supermarkets,

(ii) convenience stores, corner shops and newsagents,

(iii) pharmacists and chemists, or

(iv) petrol stations;

(f) social clubs.

(7) The following businesses and services fall within this sub-paragraph—

(a) the following indoor facilities—

(i) dance studios,

(ii) fitness studios,

(iii) gyms,

(iv) sports courts,

(v) swimming pools,

(vi) playgrounds,

(vii) soft play centres or soft play areas,

(vi) other indoor leisure centres or facilities, including indoor games, recreation and entertainment venues;

(b) casinos;

(c) bingo halls;

(d) bowling alleys;

(e) F54 ... riding centres;

(f) amusement arcades, including adult gaming centres;

(g) cinemas;

(h) theatres;

(i) concert halls;

(j) skating rinks;

(k) circuses;

(l) water parks and aqua parks;

(m) theme parks, fairgrounds and funfairs;

(n) adventure parks and activities;

(o) aquariums and zoos, including safari parks;

(p) animal attractions at farms, wildlife centres and any other place where animals are exhibited to the public as an attraction;]

(q) model villages;

(r) kitchen, bathroom, tile and glazing showrooms;

(s) museums and galleries;

(t) indoor attractions at visitor attractions such as—

(i) sculpture parks,

(ii) landmarks, including observation wheels or viewing platforms,

(iii) botanical or other gardens, biomes or greenhouses,

(iv) stately or historic homes, castles or other heritage sites;

(u) visitor attractions at film studios;

(v) conference centres and exhibition halls, so far as they are used to host conferences, exhibitions, trade shows, private dining events or banquets, other than conferences, trade shows or events which are attended only by employees of the person who owns or is responsible for running the conference centre or exhibition hall;

(w) betting shops;

(x) spas;

(y) tanning salons;

(z) nail salons, beauty salons, hair salons and barbers;

(aa) massage parlours;

(bb) tattoo and piercing parlours;

(cc) carpet stores;

(dd) showrooms and other premises, including outdoor areas, used for the sale or hire of caravans, boats or any vehicle which can be propelled by mechanical means;

(ee) car washes (except for automatic car washes);

(ff) auction houses (except for auctions of livestock or agricultural equipment);

(gg) F57... markets (except for livestock markets, stalls selling food and any other retailer listed in paragraph 17); [ F58

(hh) outdoor sportsgrounds and facilities, including outdoor gyms, sports courts, swimming pools, water sports, shooting and archery venues, golf courses, and driving ranges;

(ii) retail travel agents.]

(8) For the purposes of sub-paragraph (7)(t), an “indoor attraction” means those parts of a venue, including visitor centres but not including toilets for visitors, which—

(a) would be considered to be enclosed or substantially enclosed for the purposes of section 2 of the Health Act 2006 under the Smoke-free (Premises and Enforcement) Regulations 2006, and

(b) are in normal times open for members of the public to visit for the purposes of recreation, whether or not for payment.

(9) For the purposes of sub-paragraph (7)(v), a “trade show” is an event held to bring together members of a particular industry to display, demonstrate and discuss their latest products or services with members of the public or other members of the industry.

(10) For the purposes of sub-paragraph (7)(ff) [ F59and (gg)] “livestock” means—

(a) any animal which is kept—

(i) for the provision of food, wool, skins or fur,

(ii) to be used in carrying on any agricultural activity, and

(b) horses.

**Businesses allowed to remain open in Tier 4 area**

17. The following businesses are allowed to remain open in the Tier 4 area—

(a) food retailers, including food markets, supermarkets, convenience stores and corner shops,. (See end of Document for details)

(b) off licenses and licensed shops selling alcohol (including breweries),

(c) pharmacies (including non-dispensing pharmacies) and chemists,

(d) newsagents,

(e) animal rescue centres and animal boarding facilities,

(f) building merchants and suppliers of products and tools used in building work and repairs,

(g) petrol stations,

(h) vehicle repair and MOT services,

(i) bicycle shops,

(j) taxi or vehicle hire businesses,

(k) the following businesses—

(i) banks

(ii) building societies

(iii) credit unions

(iv) short term loan providers

(v) savings clubs

(vi) cash points

(vii) undertakings which by way of business operate currency exchange offices, transmit money (or any representation of money) by any means or cash cheques which are made payable to customers,

(l) post offices,

(m) funeral directors,

(n) laundrettes and dry cleaners,

(o) dental services, opticians, audiology services, chiropody, chiropractors, osteopaths and other medical or health services, including [ F64services which incorporate personal care services and treatments required by those with disabilities and] services relating to mental health,

(p) veterinary surgeons and pet shops,

(q) agricultural supplies shops,

(r) storage and distribution facilities, including delivery drop off or collection points, where the facilities are in the premises of a business included in this Part,

(s) car parks,

(t) public toilets,

(u) garden centres,

(v) automatic car washes,

(w) mobility and disability support shops.

## **APPENDIX C**

**What does it mean to be an Undertaking in Difficulty?**

An ‘undertaking in difficulty’ is defined as an undertaking in which at least one of the following circumstances occurs:

a. In the case of a limited liability company (other than an SME that has been in existence for less than three years), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital.

b. In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses.

c. Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.

d. Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan.

e. In the case of an undertaking that is not an SME, where, for the past two years:

i.The undertaking’s book debt to equity ratio has been greater than 7.5;

and

ii. The undertaking’s earnings before interest, tax, depreciation and amortisation (EBITDA) interest coverage ratio has been below 1.0.

This test only applies to payments made under the Temporary Framework, but excludes small and micro businesses (less than 50 employees and less than EUR 10 million of annual turnover and/or annual balance sheet).

**APPENDIX D**

**TIER 4 and LOCKDOWN 3.0 From 31st Dec to 15th February 2021**

**Closed Rate Paying Businesses**

*Applicable Grant Scheme(s): Local Restrictions Support Grants (Closed) Addendum: Tier 4; Local Restrictions Support Grant (Closed) Addendum: 5 January onwards; Closed Businesses Lockdown Payment*

*Explanatory Note:*

*Grant levels are mandatory and fixed in guidance. Pro-rata payment to cover 5 days in Tier 4; 42 day National Lockdown Period plus one-off ‘top-up’ Closed Business Lockdown Payment (CBLP).*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Rateable Value** | **Tier 4 (5 day)** | **National lockdown period (42 day)** | **CBLP (‘Top Up’)** | **National Lockdown period (44day)** |
| less than £15k | £ 238 | £ 2,001 | £ 4,000 | £2096 |
| £15 - £51k | £ 357 | £ 3,000 | £ 6,000 | £3143 |
| £51k + | £ 536 | £ 4,500 | £ 9,000 | £4714 |

**Closed Non-Rate-Paying Businesses**

*Applicable Grant Scheme(s): Additional Restrictions Grant*

*Explanatory Note:*

*Businesses must be able to evidence a minimum of £1,500 fixed costs per annum to qualify. Includes a lower grant for businesses with fixed costs of between £1500-£3600 pa. This is to ensure the level of grant is proportional to the level of business costs since funding cannot be used to supplement wages/income. Grants may be awarded to businesses up to a cumulative value which is equivalent to the fixed cost limit (£3600 or £15000 or £51,000) in any one financial year to maintain proportionality and ensure the grant is not supplementing wages/income. Once the limit is reached, a business will not be eligible for any further funding.*

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| --- | --- | --- | --- | --- |
| **Annual Fixed Costs** | **Tier 4 (5 day)** | **National lockdown period (42 day)** | **CBLP(‘Top Up’)** | **National lockdown period (44 day)** |
| 1500-3600 | £119 | £1000 | £2000 | £1048 |
| 3600-15k | £ 238 | £ 2,001 | £ 4,000 | £2096 |
| 15-51k | £ 357 | £ 3,000 | £ 6,000 | £3143 |
| 51k+ | £536 | £4,500 | £9,000 | £4714 |

1. 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. [↑](#footnote-ref-2)