

LEICESTER CITY COUNCIL  
LOCAL RESTRICTIONS SUPPORT GRANT (CLOSED)  
(the Leicester Tier 3 closed business grant scheme  
from 2 December 2020)  
BUSINESS GRANTS FUND POLICY (1 March 2021)

1. Background

- 1.1 The Government is providing additional funding to allow local authorities to support businesses in Covid High or Very High areas (Tiers 2 and 3) which are legally required to close. The funding is intended to help kickstart recovery by supporting sustainable businesses.
- 1.2 This is one of several non-repayable business support grant schemes to be operated by councils announced by the Government in November and December 2020 in a continued response to the pandemic.
- 1.3 Eligible businesses can get one grant for each eligible property on which the business pays rates.
- 1.4 Leicester City Council therefore invites applications from ratepaying businesses legally required to close due to Tier 3 local restrictions from 2 December 2020.
- 1.5 An explanation of the restrictions under the local restriction tiers from 2 December 2020 can be found at <https://www.gov.uk/guidance/local-restriction-tiers-what-you-need-to-know>
- 1.6 This scheme will initially run until April 2021, with a Government review point expected in January 2021. As the tier to which Leicester is subject changes during this period, the grant scheme will be updated accordingly as instructed by / agreed with the Government. Note that the scheme was suspended from 31 December 2020, following the introduction of Tier 4 and then national restrictions.
- 1.7 Businesses can choose to spend the grants as they wish. The money does not need to be repaid. The Government expects that many businesses will use the grants to cover high fixed property-related costs.

2. Who will benefit from this scheme?

2.1 Businesses that were open as usual and providing in-person services to customers from their business premises and then required to close for a consecutive period of no less than 14 days as a result of regulations made under the Public Health (Control of Disease) Act 1984 are eligible for this funding.

2.2 Businesses must be the ratepayer on the Council's records at 2 December 2020, and at the start of any subsequent grant period.

2.3 Businesses must have been trading the day before the restrictions came into force, i.e. 1 December 2020.

2.4 Businesses which have vacated their premises before a grant payment is made will not be eligible, as there is no longer a business to sustain. If a business vacates premises after receiving a grant, repayment will not be required, but no further payments will be due.

### 3. Other Qualifying Conditions

3.1 Businesses must not be in administration, insolvent or subject to a striking-off notice at the time of applying or receiving a grant.

3.2 Businesses must ensure that by receiving a grant they will not be in breach of state aid thresholds. In summary, grants can be received under the existing De Minimis rules, provided doing so does not exceed the rolling three-year €200,000 threshold. Payments made where the De Minimis threshold has been reached should be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000). A further temporary flexibility relates to uncovered fixed costs between March and December 2020. Additional rules apply for businesses that are 'an undertaking in difficulty'. The Government provides more detailed information at <https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-local-restrictions-support-grant-for-closed-businesses>. Businesses in any doubt should take their own legal advice.

3.3 Businesses may apply for this fund regardless of any other national or local COVID-19 grants or loans already received.

3.4 As repeat payments will be made under this scheme, businesses must promptly inform the Council should they become ineligible for grants and must return any overpaid funding.

### 4. Amount of each business grant

4.1 The amounts payable are set by the Government and are:

Rateable Value	Grant per complete 14 days from 2 December

£15,000 and less	£ 667
£15,001 to £50,999	£1,000
£51,000 and above	£1,500

## 5. Applying for a grant

- 5.1 Businesses must meet the criteria in section 2.
- 5.2 Where possible, the Council will pay grants based on recent applications to preceding business grant support schemes, without the need for fresh applications.
- 5.3 Any new applications should be made as soon as possible. The Council will determine a closing date which will be advertised on its website; this will not be sooner than 4 weeks after applications open.
- 5.4 The Council will seek to make 14-day payments automatically towards the end of the period, with no need for further applications.
- 5.5 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.
- 5.6 Applications should be made online. Businesses will be required to provide information to demonstrate eligibility, bank account details, state aid compliance and to prevent fraud and error. The Government has also asked the Council to collect other data, including the sector in which the business operates and the number of employees.

## 6. Will these grant schemes be subject to tax?

- 6.1 Grant income received by a business is taxable. Therefore, funding paid under this scheme will be subject to tax.
- 6.2 Only businesses which make an overall profit once grant income is included will be subject to tax.

## 7. Managing the risk of fraud

- 7.1 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.
- 7.2 The Government's grants management and counter fraud functions provide local authorities with access to 'Spotlight', a digital assurance tool. This tool will also assist the Council with pre and post payments assurance, including

identification of high-risk payments. There will also be joint working across councils and government departments in preventing fraud.

- 7.3 The Council also reserves the right to use any details submitted by businesses to check against national records and databases to highlight any potentially fraudulent activity.
- 7.4 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.

## 8 Appeals

- 8.1 There is no right to appeal, and the decision of the Council is final. The Council's interpretation of this document is at its own discretion and it will be the final arbiter of the definitions contained within this policy.

## 9 Policy Review

- 9.1 This policy has been written in line with Government guidance. It will be subject to dynamic review as circumstances dictate and in line with future clarifications and changes that may be announced by the Government.

*Leicester City Council*

*Finance Division 22/11/2020, updated 15/12/2020, updated 01/03/2021*

## **APPENDIX A – LOCAL RESTRICTIONS SUPPORT GRANT (CLOSED)**

**Eligible business types that are legally required to close due to Tier 3 local restrictions – the use of the premises must be wholly or mainly for these purposes to qualify for a grant**

### **Hospitality**

Restaurants, cafes, coffee shops, public houses, bars, social clubs, clubs and clubhouses.

Note:

- Businesses whose main operation is a 'takeaway' are not eligible for this grant, as they are not required to close.
- Businesses whose main operation is a café, restaurant or pub and which offer a takeaway or click and collect service are eligible for a grant.

### **Hotels, etc**

Hotels, bed and breakfast, guest houses, serviced apartments.

Note: *AirBnb rooms are not eligible.*

### **Leisure – indoor venues**

Spas, casinos, cinemas, theatres, concert halls, public halls, arenas, bingo halls, amusement arcades, bowling alleys, snooker clubs, indoor skate parks, indoor play centres, indoor entertainment venues, laserquest, escape rooms, galleries, conference and exhibition centres.

Note: *Nightclubs and adult entertainment venues closed by national restrictions are not eligible under the Government's rules – these are eligible for the LRSB (Sector).*

*Businesses applying or seeking to apply will be assessed against Government regulations and the above list.*