

Discretionary Local Restrictions Support Grant

– Information for Businesses

Which Businesses are eligible for the Council’s discretionary grant scheme and what payments will be made?

Business that will be eligible for the Council’s Phase 1 Discretionary Grant Scheme include:-

	MANDATED TO CLOSE DURING NATIONAL LOCKDOWN (5 th Nov – 2 nd Dec – 4 WEEKS)	OPEN DURING NATIONAL LOCKDOWN (5 th Nov – 2 nd Dec – 4 WEEKS)	BUSINESSES PLACED IN TIER 2 FROM 14 TH OCT – 4 TH NOV (PRIOR TO NATIONAL RESTRICTIONS):		
Businesses liable for Business Rates	Businesses mandated to close, which include non-essential retail, leisure, personal care, sports facilities and hospitality businesses: https://www.gov.uk/guidance/new-national-restrictions-from-5-november#businesses-and-venues N/A – picked up as part of the MANDATORY LRSG SCHEME*	Businesses who <i>mainly</i> supply the sectors that were mandated to close (suppliers to non-essential retail, leisure, personal care, sports facilities and hospitality businesses) - where this supply represents 50% or more of business	Businesses in hospitality, accommodation and leisure sectors N/A – picked up as part of the MANDATORY LRSG SCHEME*	GLOSSOPDALE (14 th Oct – 4 th Nov – 3 WEEKS)	Rest of HPBC (31 st Oct – 4 th Nov) – 5 days
Businesses NOT liable for Business Rates	Businesses mandated to close, which include non-essential retail, leisure, personal care, sports facilities and hospitality businesses**: https://www.gov.uk/guidance/new-national-restrictions-from-5-november#businesses-and-venues	Businesses who <i>mainly</i> supply the sectors that were mandated to close (suppliers to non-essential retail, leisure, personal care, sports facilities and hospitality businesses) - where this supply represents 50% or more of business	Businesses in hospitality, accommodation and leisure sectors	GLOSSOPDALE (14 th Oct – 4 th Nov – 3 WEEKS)	Rest of HPBC (31 st Oct – 4 th Nov) – 5 days

If your business is liable for business rates and was mandated to close as part of the national restrictions (5th Nov – 2nd Dec) – please complete the **MANDATORY GRANT application form, if successful you will then be awarded a grant for the period of the national restrictions. If your business operates in the hospitality, accommodation or leisure sector, you will also be awarded a grant for the period the Borough was in ‘Tier 2’ prior to the national restrictions commencing on 5th Nov. You can apply for the mandatory grant at:- <https://myforms.highpeak.gov.uk/BUSINESSGRANTSHEME/launch>*

***If a business has subsequently provided an alternative service (e.g. a restaurant/pub providing takeaway-only meals or retail businesses offering click & collect) it would still be eligible as it has been required to close the part of its business that provides its MAIN service.*

Businesses must have been trading on 4th November 2020 (the day prior to national restrictions)

PLEASE NOTE: All businesses will be required to upload a recent bank statement AND those businesses who are NOT LIABLE for Business Rates, will also need to supply evidence of their commercial property address/costs (e.g. rent agreement) Discretionary grants are not available to businesses operating from domestic properties (except B&B accommodation who are liable for Council Tax rather than Business Rates). **On assessment, the Council may request additional evidence and information.**

Exclusions to the Discretionary Grant Scheme:

- Businesses that have chosen to close but have not been required to
- Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.
- Businesses that are in administration, are insolvent or where a striking-off notice has been made
- Businesses that do not operate from commercial premises with ongoing fixed property costs

Grants are currently payable up to the period 2nd December 2020.

What grant payments are made as part of the Phase 1 Discretionary LRSG scheme?

	MANDATED TO CLOSE DURING NATIONAL LOCKDOWN (5 th Nov – 2 nd Dec – 4 WEEKS)	OPEN DURING NATIONAL LOCKDOWN (5 th Nov – 2 nd Dec – 4 WEEKS)	BUSINESSES PLACED IN TIER 2 FROM 14 TH OCT – 4 TH NOV (PRIOR TO NATIONAL RESTRICTIONS):		
Businesses liable for Business Rates	Businesses mandated to close, which include non-essential retail, leisure, personal care, sports facilities and hospitality businesses: https://www.gov.uk/guidance/new-national-restrictions-from-5-november#businesses-and-venues N/A – picked up as part of the MANDATORY LRSG SCHEME*	Businesses who <i>mainly</i> supply the sectors that were mandated to close (suppliers to non-essential retail, leisure, personal care, sports facilities and hospitality businesses) - where this supply represents 50% or more of business BASED ON LRSG (OPEN) GUIDANCE – 28 day period: <ul style="list-style-type: none"> Businesses occupying hereditaments with a rateable value of exactly £15,000 or under Grants of up to £934 per 28-day period Businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000: Grants of up to £1,400 per 28-day period Businesses occupying hereditaments with a rateable value of exactly £51,000 or above: Grants of up to £2,100 per 28-day period 	Businesses in hospitality, accommodation and leisure sectors N/A – picked up as part of the MANDATORY LRSG SCHEME*	GLOSSOPDALE (14 th Oct – 4 th Nov – 3 WEEKS)	Rest of HPBC (31 st Oct – 4 th Nov) – 5 days
Businesses NOT liable for Business Rates	Businesses mandated to close, which include non-essential retail, leisure, personal care, sports facilities and hospitality businesses**: https://www.gov.uk/guidance/new-national-restrictions-from-5-november#businesses-and-venues Grant award - £1,334	Businesses who <i>mainly</i> supply the sectors that were mandated to close (suppliers to non-essential retail, leisure, personal care, sports facilities and hospitality businesses) - where this supply represents 50% or more of business Grant award - £934	Businesses in hospitality, accommodation and leisure sectors Grant award	GLOSSOPDALE (14 th Oct – 4 th Nov – 3 WEEKS) £734	Rest of HPBC (31 st Oct – 4 th Nov) – 5 days £167

The Council reserves the right to amend grant awards based on the assessment of application information and funding available.

What happens after 2nd December?

Grants are currently payable to businesses up to the end of the lockdown period – 2nd December. After this point, additional grants may be available based on the tiered system. Please check the Council's website for more information on this as we receive updates from Government.

Are these grants subject to tax?

Grant income received by a business is taxable, therefore the Discretionary Grant will be subject to tax. Only businesses that make an overall profit once grant income is included will be subject to tax.

Are there any conditions attached to this grant funding?

Recipients of grant funding must comply with all the scheme conditions, including eligibility, State aid requirements, and the provision of information to the Local Authority to support monitoring and assurance. By accepting the grant each recipient confirms that they are eligible for the scheme. If a Local Authority subsequently finds that this self-declaration is incorrect it will be able to take action and the business would be liable for clawback.

Can businesses with multiple properties claim multiple grants?

Eligible businesses that are within the relevant Local Authority area covered by localised restrictions will receive an LRSG (Closed) grant for each eligible hereditament. However, businesses must remain within the financial thresholds set by State aid law, which may be reached if businesses have previously received State aid funding. Please see the 'State aid' section for more information.

What discretion do Local Authorities have regarding rating list details?

Any changes to the rating list – both to the rateable value and the details – made after the first full day of localised restrictions, including changes that have been backdated to this date, should be ignored for the purposes of eligibility. Only in cases where it was factually clear to the Local Authority on the first day of restrictions 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.

How should grants be administered where a business is in administration or liquidation?

These grants have been created to provide support to active businesses. Businesses will need to confirm they are not in liquidation in order to receive the grant. Some businesses that fail the undertaking in difficulty test on 31 December 2019 are also ineligible for payments under the COVID Temporary Framework for UK Authorities.

Can businesses that are eligible but don't want or need funding opt out?

A business may decline the grant.

What is the appeals process for businesses under this scheme?

There is no appeals procedure. It is up to Local Authorities to apply the guidance as they see fit.

Do State aid rules apply to business grants provided under this scheme?

Yes. State aid applies to these schemes, and all recipients are required to comply with the maximum permitted funding under the relevant State aid rules – EUR 200,000 over three years under the De Minimis Regulation, or EUR 800,000 under the COVID-19 Temporary Framework for UK Authorities (lower thresholds apply to agriculture, fisheries and aquaculture business). The De Minimis aid and the Temporary Framework can be combined to bring the aid per company to up to €1 million. Any business that has reached the limits of payments permissible under the 15

De Minimis and the UK Covid-19 Temporary State Aid Framework will not be able to receive further grant funding.

Excluding small and micro undertakings (fewer than 50 employees and less than EUR 10 million of annual turnover and/or annual balance sheet), a business receiving grant paid under the Temporary Framework must also confirm that they were not an undertaking in difficulty on 31 December 2019. This exemption for small and micro undertakings does not apply if the undertaking is subject to collective insolvency proceedings under national law, has received rescue aid that has not been repaid, or is subject to a restructuring plan under State aid rules.”

Grants provided under the Local Restrictions Support Grant scheme can be made under either the De Minimis Regulation (where the relevant conditions are met), or under the COVID-19 Temporary Framework for UK Authorities¹ where for example, the De Minimis threshold has been reached. Local Authorities must ensure all relevant State aid law requirements are complied with including any relevant reporting requirements to the EU Commission under State aid rules.