

Cheshire West Covid-19 financial support for businesses (from 2 December 2020)

Background

1. On 19 October, Cheshire West and Chester entered the Tier 2 (High Alert) level of restrictions to help reduce the spread of coronavirus.
2. On 22 October, the Chancellor announced that areas in Tier 2 (High Alert) would receive grants to support businesses in particularly affected sectors to help them stay afloat and to protect jobs.
3. On 31 October, the Prime Minister announced a national lockdown that would initially run from 5 November to 2 December 2020, with the possibility of extension. As part of the announcement, further funding was announced to support affected businesses.
4. On 23 November, the government published the Covid-19 Winter Plan. This amended the end date of the national lockdown to 00:01 on Wednesday 2 December. It also confirmed that Cheshire West and Chester would revert to the Tier 2 (High Alert) level, but that there would be changes to the tier system.

Overview of grant schemes

Local Restrictions Support Grant (Closed)

5. This grant is to support those businesses that are required to close or remain closed as a result of the tier restrictions introduced on 2 December and have a business property that has a rateable value as determined by the Valuation Office Agency. It will be a recurring payment for each 14-day period the tier restrictions remain in place, with the amount payable dependent on the rateable value of the business premises. The Council has no discretion over this grant and will make payments to eligible businesses in line with the [government guidance](#).

Local Restrictions Support Grant (Open)

6. From 2 December 2020, local authorities will receive a set amount of funding for any 14-day period during which they are in Tier 2 (High Alert) or Tier 3 (Very High Alert). This funding must be used to establish a discretionary grant

scheme to support those businesses impacted by the tier restrictions. The Council's policy for the period of this scheme from 2 December is set out below.

Local Restrictions Support Grant (Sector)

7. Some types of business were required to close from 23 March and have not been able to re-open since; this includes nightclubs, dance halls and discotheques, adult entertainment venues and hostess bars. From 2 December, such businesses will be paid grants for every 14-day qualifying period they have to remain closed, with the amount payable being dependent on the rateable value of the business premises. The Council has no discretion over this grant and will make payments to eligible businesses in line with the government guidance.

Additional Restrictions Grant

8. Local authorities have received a set allocation (based on £20 per head of population) to administer one or more discretionary grant schemes to businesses affected by coronavirus restrictions and/or to provide other direct business support. This will be a one-off payment and central government has advised that this is to be used for the period to 31 March 2022. The first tranche of this funding was used to support those businesses that were significantly affected by the four-week national lockdown but fell outside the government eligibility criteria for the Local Restrictions Support Grant (Closed). The second tranche will be used to support those businesses that can remain open during the tier restrictions introduced from 2 December 2020 but are significantly affected by those restrictions. The Council's policy for the second tranche of this scheme is set out below. Policies for subsequent tranches of this funding will be published following discussions with members, local business groups and other stakeholders.

Policy for grants available for rateable businesses forced to close due to tier restrictions introduced from 2 December 2020¹

9. This policy is applicable for the period from 2 December 2020 until Cheshire West and Chester is no longer subject to Tier 2 or Tier 3 restrictions.
10. The aim of the policy is to support those businesses that have a rateable value as provided by the Valuation Office Agency and have been mandated to close by government.
11. The Council has no discretion over the eligibility or payment amounts made through this scheme.

Eligibility

12. Grants under this policy are only payable to business properties which have a rateable value provided by the Valuation Office Agency at 2 December. Any changes to the rating list after the first full day that the tier restrictions came into force will be ignored for the purposes of eligibility.
13. Businesses that were open as usual and providing in-person services to customers from their business premises but were required to close (or remain closed) on 2 November as a result of the revised tier restrictions will be eligible.
14. Under Tier 2 restrictions, this is any business running a public house, bar or other business involving the sale of alcohol for consumption on the premises, unless alcohol is only served for consumption on the premises as part of a table meal, and the meal is such as might be expected to be served as the main midday or main evening meal, or as a main course at either such meal.
15. For the purposes of the above paragraph, a “table meal” is a meal eaten by a person seated at a table, or at a counter or other structure which serves the purposes of a table and is not used for the service of refreshments for consumption by persons not seated at a table or structure serving the purposes of a table.
16. Businesses must have been trading the day before local restrictions came into force to be eligible to receive funding under this scheme. Where local restrictions are preceded by national ‘lockdown’ measures, requiring the

¹ This is the grant entitled Local Restrictions Support Grant (Closed) by the government

extended closure of eligible businesses, it is accepted that those businesses are still trading.

17. Eligible businesses that have a voluntary agreement but are not insolvent, in liquidation or in administration will be eligible to receive a grant if they are still trading and operating, but only under de minimis, if the agreement means the business is ineligible for a grant under the COVID-19 Temporary Framework for UK Authorities.
18. Businesses must be closed for the entirety of the 14-day payment cycle to be eligible. If a business is open and then decides to close during a payment cycle, it will only become eligible for a grant when it enters the next 14-day payment cycle.
19. If a business is required to close its main, in-person service but adapts its business to operate takeaway, click and collect or online with delivery services, it will be considered closed and be eligible to receive grants under this scheme because its substantive business must close.
20. Specific businesses subject to national closures since 23 March 2020 will not be eligible for this funding. They will be provided support through the strand of the LRSG (Sector) for nationally mandated business closures.
21. Businesses that can continue to trade because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors) will not be eligible for this grant.
22. Businesses that have chosen to close but not been required to will not be eligible for this grant.

Grant payments

23. Payments will be made to eligible businesses for each full 14-day period they are required to remain closed as a result of the tier restrictions introduced from 2 December 2020.
24. The value of the payment will be dependent on the rateable value of the property:
 - i. Eligible businesses occupying a property with a rateable value of £15,000 or less on 2 December 2020 will receive a payment of £667 per 14-day period

- ii. Eligible businesses occupying a property with a rateable value over £15,000 but less than £51,000 on 2 December 2020 will receive a payment of £1,000 per 14-day period
- iii. Eligible businesses occupying a property with a rateable value of £51,000 or more on 2 December 2020 will receive a payment of £1,500 per 14-day period

Policy for grants available to hospitality, leisure and accommodation businesses affected by the tier restrictions introduced on 2 December 2020²

25. This policy is applicable for the period from 2 December 2020 until Cheshire West and Chester Council is no longer subject to Tier 2 or Tier 3 restrictions.

26. The aim of the policy is to support those businesses that are most affected by the tier restrictions on social mixing. This is hospitality, hotel, bed and breakfast and leisure businesses.

Eligibility

27. In order to be eligible for the scheme, the business must have been trading on 2 December 2020.

28. Grants will be focussed on those businesses that have been most affected by the tier restrictions i.e. those businesses operating in the hospitality, accommodation and leisure sectors as specified in the government guidance on the scheme.

29. A grant payment will only be made for each full 14-day period that Cheshire West and Chester Council is subject to Tier 2 or Tier 3 restrictions.

Grant payments

30. There are three levels of grant payment per 14-day period for this scheme.

- i. Eligible businesses occupying a property with a rateable value of £15,000 or less on 2 December 2020 or eligible businesses that do not have a property with a rateable value will receive £467 per 14-day period

² This is payable from the grant entitled Local Restrictions Support Grant (Open) by the government

- ii. Eligible businesses occupying a property with a rateable value over £15,000 but less than £51,000 on 2 December 2020 will receive £700 per 14-day period
- iii. Eligible businesses occupying a property with a rateable value of £51,000 or more on 2 December 2020 will receive £1,050 per 14-day period

Policy for businesses mandated to close since 23 March³

- 31. From 2 December, grant payments will again be available to businesses that were mandated to close from 23 March 2020 and have been unable to re-open since. Grants were initially payable from 1 November 2020 until 4 November 2020, after which these businesses became eligible for national lockdown grant funding.
- 32. The Council has no discretion over the eligibility or payment amounts made through this scheme.

Eligibility

- 33. Government guidance states that eligible businesses are:
 - i. Nightclubs, dance halls and discotheques
 - ii. Adult entertainment venues and hostess bars
- 34. Businesses must have been trading on 23 March 2020 to be eligible to receive a grant payment.
- 35. Businesses detailed in paragraph 33 will not be eligible if they have repurposed their business and have been able to re-open as a result. For example, if a nightclub has been repurposed as a bar.
- 36. A grant payment will only be made for each full 14-day period that eligible businesses are mandated to close from 2 December 2020.

Grant payments

- 37. Grant payments will be made relating to each 14-day qualifying restriction period from 2 December 2020.
- 38. The value of the payment will be dependent on the rateable value of the property:

³ This is known as the Local Restrictions Grant (Sector) by government

- i. Eligible businesses occupying a property with a rateable value of £15,000 or less on 23 March 2020 will receive a payment of £667 for each 14-day period they must remain closed
- ii. Eligible businesses occupying a property with a rateable value over £15,000 but less than £51,000 on 23 March 2020 will receive a payment of £1,000 for each 14-day period they must remain closed
- iii. Eligible businesses occupying a property with a rateable value of £51,000 or more on 23 March 2020 will receive a payment of £1,500 for each 14-day period they must remain closed

Policy for grants available to businesses significantly affected by the tier restrictions introduced on 2 December 2020 that are not eligible under the schemes detailed above

39. The Council will make the second tranche of its Additional Restrictions Grant allocation available to support those businesses that are not mandated to close or are not directly in the hospitality, leisure or accommodation sectors, but are nonetheless significantly impacted by the tier restrictions introduced on 2 December 2020.

40. This grant will therefore be available to support a wide range of businesses. In order to determine which businesses have been significantly affected the Council will require businesses to provide the following information in their application:

- A business identifier such as VAT registration number, company registration number or charity number
- A business rates account number (if applicable)
- A description of what goods/services the business provides including its contribution to the local community and geographical reach
- An explanation of the impact that the tier restrictions are having on the business
- Details of fixed costs and other monthly outgoings
- Details and evidence of the impact that restrictions have had on income levels

- The number of people employed in the local area and any current furlough arrangements
- A current bank statement
- Details of any other support received relating to Covid-19 e.g. previous business grants, bounce back loans, self-employed support

Eligibility

41. In order to be eligible for the scheme, the business must have been trading on 2 December 2020 (the day the national lockdown ended).

42. Grants will be focussed on those businesses that are significantly impacted by the tier restrictions but are not eligible for support through the grant schemes detailed above. In order to determine whether a business qualifies for a payment and at what level, the following criteria will be considered:

- The level of fixed costs of the business as a percentage of its income
- The number of individuals employed by the business in the local area
- The current cash position of the business in relation to its fixed costs

43. Businesses will then be grouped into either very high priority, high priority, medium priority or not eligible.

Grant payments

44. A single payment will be made to each business based on the priority level they are grouped in.

45. Businesses that are deemed very high priority will receive a payment of £4,200; businesses that are deemed high priority will receive a payment of £2,800; businesses that are deemed medium priority will receive a payment of £1,868.

General conditions applying to all four local restrictions grants

Eligibility

46. Only businesses based in the Cheshire West and Chester Council boundary can apply for a grant.
47. Businesses that are in administration, insolvent or had been issued with a striking-off notice are not eligible for funding.
48. Businesses must apply to the Council via an online form in order to be considered for a grant payment. Application forms will be available on the Council website.
49. Businesses will need to notify the Council if they no longer meet the eligibility criteria for additional grants at any point in any local restriction period. For example, if they become insolvent.

Grant payments

50. All organisations will be contacted by the Council by phone or email to advise of the outcome of their application. This will state that by accepting the grant payment, the business confirms that they are eligible for the grant scheme and that any payment accepted will comply with State Aid requirements.
51. The Council will make all successful grant awards by direct credit transfer and it is important that organisations/businesses supply their account details as part of the application process.

Protecting the public purse

52. The Council will not accept deliberate manipulation and fraud and 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.
53. We will work with government and other councils in identifying and sharing good practice, including protecting eligible businesses which may be targeted by fraudsters pretending to be central or local government or acting on their behalf.
54. We will use the information provided to assess applications for financial support. We may share the information provided with other

organisations/agencies to confirm information account validity and identity and for the detection and prevention of crime. We may also share the information provided with government departments for the purpose of monitoring and evaluation purposes.

Reviews

55. There is no formal right of appeal against decision made in respect of a grant. However, if a business is unsuccessful in their application for a grant under this policy a request for a review of the decision can be made to the Council. Representations must be made in writing, within 14 days of a decision notice, providing additional supporting evidence and details of why the business disagrees with the decision made.
56. The review will be considered by the Head of Transactional Services who will respond, in writing, within 14 days. The decision made by the Head of Transactional Services will be final and no further appeal rights will be offered.

State Aid

57. The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission. The council must be satisfied that all State aid requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current Covid-19 outbreak, the approved Covid-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission.
58. Councils have discretion to make payments to eligible recipients under either the De Minimis rules or the Covid-19 Temporary Framework for UK Authorities (provided all the relevant conditions are met).
59. Payments through this scheme will be made under the existing De Minimis rules, provided doing so does not exceed the €200,000 threshold to any one organisation over a three-year fiscal period. 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).

60. The amended Temporary Framework enables EU Member States to give up to the nominal value of € 800,000 per company. This can be combined also with so-called de minimis aid (to bring the aid per company to up to €1 million) and with other specific types of aid. Any business that has reached the limits of payments permissible under the De Minimis and the UK Covid-19 Temporary State Aid Framework will not be able to receive further grant funding.