

# **Southwark Council**

## **Non-domestic rates**

Local Restrictions Support Grant (Closed)  
Addendum policy

## **1. Introduction**

- 1.1. This policy relates to the award of grants under the Local Restrictions Support Grant (Closed) Addendum scheme and is effective from 5 November 2020 to 2 December 2020.
- 1.2. On the 31 October 2020 the Government announced new national restrictions to come into force on the 5 November 2020.
- 1.3. When national restrictions are imposed by Government and a significant number of businesses are mandated to close to manage the spread of coronavirus, then Local Restrictions Support Grant (Open) and (Sector) will cease to apply, and (Closed) will be superseded by the conditions set out in the (Closed) Addendum for the relevant period.

## **2. Qualifying criteria**

- 2.1. LRSG (Closed) Addendum grants is a centrally prescribed scheme but local authorities are expected to make their own determination of which businesses in their locality are eligible based on guidelines provided by Government.
- 2.2. Grants under this scheme are payable against each hereditament a business occupies should they meet the following qualifying criteria:
  - 2.2.1. Have been mandated to close by Government such as non-essential retail, leisure, personal care, sports facilities and hospitality businesses;
  - 2.2.2. Were trading the day before national restrictions came into force;
- 2.3. Businesses excluded from a grant payment under this scheme include:
  - 2.3.1. Businesses that are able to continue to trade because they provide an essential service and their main service is not closed;
  - 2.3.2. 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;
  - 2.3.3. Businesses that were not open for trading the day before national restrictions came into force; and
  - 2.3.4. Businesses that were in administration, are insolvent or where a striking-off notice has been made.
- 2.4. Businesses are not eligible for multiple versions of the Local Restrictions Support Grant whilst national restrictions are in place. During the period of national lockdown businesses are only eligible for a grant payment under the LRSG (Closed) Addendum scheme.

### **3. Calculation of award**

3.1. Payments under this scheme are based on the rateable value of each hereditament a business occupies.

3.2. The threshold for grant payments are:

Rateable Value	Grant value
£15,000 and under	£1,334
£15,001 - £51,000	£2,000
£51,001 and over	£3,000

3.3. Subject to state aid limits, businesses will be entitled to receive a grant for each eligible hereditament. So, some businesses may receive more than one grant where they have more than one eligible hereditament.

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

3.5. The council will not adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the date that national restrictions began. In cases where it was factually clear to the council on the national restriction date that the rating list was inaccurate on that date, the council 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.

### **4. Application process**

4.1. Where possible we will identify eligible businesses and make grant payments without an application. Any business wishing to apply for a grant because it believes it may be eligible for one will be able to do so using an online form.

4.2. An authorised representative can complete an application form but payments will only be made to the confirmed bank account of the business occupying the property the application relates to.

4.3. For businesses that occupy more than one hereditament an application form needs to be completed for each one.

4.4. The application process will ask businesses to confirm that they meet the qualifying criteria, along with confirmation that the business has not exceeded state aid limits.

4.5. The council will conduct pre-award fraud checks to mitigate against the risk of fraud and payment error to ensure the safe administration of grants.

## **5. Payment of grant awards**

- 5.1. Grant payments will be awarded to qualifying businesses via bank transfer.
- 5.2. Only one payment will be made to cover the 28 day period of national lockdown as set out in paragraph 1.1.
- 5.3. Payment will be made to the person who according to the council's records is the ratepayer in respect of the hereditament on the date of the first full day of national restrictions.
- 5.4. Where the council has reason to believe that the information that we hold about the ratepayer on the first full day of the national restrictions is inaccurate we may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.
- 5.5. Grant income received by a business is taxable and 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.

## **6. Notification of grant awards**

- 6.1. The council will issue a notification of grant payment for each property the business occupies.
- 6.2. The notification will state that by accepting the grant payment, the business confirms that they are eligible for the LRSG (Closed) Addendum grant scheme and the business has not exceeded state aid limits.

## **7. Closing of LRSG (Closed) Addendum grant scheme**

- 7.1. This grant scheme covers the 28 day period of national lockdown as set out in paragraph 1.1.
- 7.2. When national lockdown restrictions end the LRSG (Closed) Addendum grant scheme will also end and the relevant LRSG grant scheme appropriate to the COVID alert level for Southwark will supersede it.
- 7.3. However, the application process will remain open for businesses to apply for a LRSG (Closed) Addendum grant payment but payment will only cover the period of national lockdown restrictions.

## **8. State aid**

- 8.1. Whilst the UK left the EU on 31 January 2020, the Withdrawal Agreement negotiated by the Government and the EU provides that during a transition period state aid rules will continue to apply as now and will be subject to control by the EU Commission as at present.

- 8.2. LRSB (Closed) Addendum grant payments will be subject to State Aid De Minimis Regulations, 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.
- 8.3. Payments will be made under existing De Minimis rules whereby businesses must not exceed €200,000 of De Minimis aid in a rolling three-year period. Payments made where the De Minimis threshold has been reached will be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000).
- 8.4. 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 receive further grant funding.

## **9. Appeals process**

- 9.1. Where an application for a LRSB (Closed) Addendum grant is refused, any appeal against this decision must be made in writing or via the online appeal form, together with evidence to support the reasons for the appeal.
- 9.2. The appeal will be considered by a manager who has not previously considered the application. The decision reached will be notified in writing within 30 days.