

North Warwickshire Borough Council

Closed Businesses Lockdown Payments (CBLP) Scheme

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Definitions

The following definitions are used in this document:

'Closed Businesses Lockdown Payment'; means a one off top up payment for all businesses mandated to close during national restrictions;

'Covid-19' (Coronavirus); means the infectious disease caused by the most recently discovered coronavirus;

'Department for Business, Energy & Industrial Strategy (BEIS)'; means the Government department responsible for the scheme and guidance;

'Effective date'; means, for eligibility of the grant, the 5 January 2021

'Hereditament(s)'; means the assessment defined within Section 64 of the Local Government Finance Act 1988;

'In person services'; means businesses that depend on providing direct in person services from business premises and cannot operate their services effectively remotely;

'Local rating list'; means the list as defined by section 41 of the Local Government Finance Act 1988

'Local Restrictions Support Grant (Closed) Addendum: 5 January onwards'; means the grant scheme developed by the Council in response to an announcement made by the Government on 5 January 2021 and which is applicable to businesses mandated to close where national restrictions are in place;

'Rateable value'; means the rateable value for the hereditament shown in the Council's local rating list at the date of the national restrictions;

'Ratepayer'; means the person who will receive the grant will be the person who, according to the Council's records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the national restrictions;

1.0 Purpose of the scheme and background

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council's Closed Businesses Lockdown Payment (CBLP) scheme. The Council, as the Business Rates Authority is responsible for the payment of these grants.
- 1.2 This grant scheme has been developed by the Council in response to an announcement made by the Government on 5 January 2021 which sets out the circumstances whereby a grant payment may be made by the Council to a business which has to close due to national restrictions being put in place to manage coronavirus and save lives.
- 1.3 Whilst the awarding of grants will be the Council's responsibility, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria which **must** be met by each business making an application.
- 1.4 Grants under this scheme will be available until 30 April 2021, when the scheme will close.

2.0 Funding

- 2.1 Local Authorities, subject to local eligibility, will receive funding to meet the cost of payments to business within the business rates system based on an assessment of the number of eligible business hereditaments.

3.0 Eligibility criteria and awards

- 3.1 A one off payment will be made to businesses that have been required to close from 5 January 2021 due to the introduction of national restrictions. This funding is not retrospective.
- 3.2 Eligibility for the Closed Businesses Lockdown Payment (CBLP) is the same as the LRSG (Closed) Addendum 5: 5 January onwards scheme. Businesses that are eligible are those that have been mandated to close by Government and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses.
- 3.3 Government, whilst wanting Council's to exercise their local knowledge and discretion, has set national criteria for the funds. In all cases, the Council will only consider businesses for grants where all of the criteria are met. Businesses will only be eligible where they are trading on the date of the announcement.

Awards

- 3.4 The amount of grant is fixed as follows:
 - (a) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of 4 January 2021 will receive a payment of £4,000;

- (b) Businesses occupying hereditaments appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on the date of 4 January 2021 will receive a payment of £6,000;
- (c) Businesses occupying hereditaments appearing on the local rating list with a rateable value of over £51,000 on the date of 4 January 2021 will receive a payment of £9,000;

3.5 Any business failing to meet the criteria will not be awarded a grant.

Excluded Businesses

3.6 The following businesses will **not** be eligible for an award:

- (a) Businesses that are able to conduct their main service because they do not depend on providing direct in person services from premises and can operate their services effectively remotely (eg. accountants, solicitors);
- (b) Businesses in areas outside of the national restrictions, as defined by the government;
- (c) Businesses that have chosen to close but not been required to **will** not be eligible for this grant; and
- (d) Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local restriction or widespread national restriction.

The Effective Date

3.7 The effective date for eligibility is the date of the widespread national restrictions. Businesses must have been trading on the first full day of national restrictions to be eligible to receive grant support.

3.8 In all cases, the following must have existed at the effective date:

- The hereditament **MUST** be shown in the local rating list as at the effective date;
- Any changes to the local rating list (Rateable Value or to the hereditament) after that date, including changes which have been backdated to this date, will be ignored for the purposes of eligibility;
- The Council is not required to adjust, pay or recover grants where the local rating list is subsequently amended retrospectively to the effective date;
- In cases where it was factually clear to the Council that, at the effective date, the local 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. (The Department for Business, Energy & Industrial Strategy (BEIS) has stated that this provision is entirely at the discretion of the Council and is only intended to prevent manifest errors. It is not intended for ratepayers who subsequently challenge their Rateable Value); and

- Where a hereditament is exempt from rating as at the effective date.

The Ratepayer

3.9 In all cases the following shall apply:

- the person who will receive the grant will be the person who, according to the Council's records, was the ratepayer in respect of the hereditament at the effective date;
- The ratepayer must be liable to occupied property rates at that date. It should be noted that grants will not be awarded where the hereditament is unoccupied;
- Where the Council has reason to believe that the information it holds about the business or ratepayer at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer;
- Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid;
- Where any ratepayer misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any grant paid and take appropriate legal action. Likewise, if any ratepayer is found to have falsified records in order to obtain a grant.

4.0 How will grants be provided to Businesses?

4.1 The Council is fully aware of the importance of these grants to assist businesses and support the local community and economy. The grants will offer a lifeline to businesses who are struggling to survive during the COVID-19 crisis.

4.2 Details of how to obtain grants are available on the Council's website:

<https://www.northwarks.gov.uk/businessgrants>

4.3 In all cases, businesses will be required to confirm that they are eligible to receive the grants. This includes circumstances where the Council already has bank details for the business and are in a position to send out funding immediately. Businesses are under an obligation to notify the Council should they no longer meet the eligibility criteria for any additional grants.

4.4 The Council reserves the right to request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.

4.5 An application for a Closed Businesses Lockdown Payment is deemed to have been made when a duly completed application form is received via the Council's online procedure.

4.6 All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

5.0 Subsidy Control

5.1 The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement with the EU. Subsidies that have been given under the State Aid Temporary Framework related to Covid-19 can still be paid.

6.0 Scheme of Delegation

6.1 The Council has approved this scheme.

6.2 Officers of the Council will administer the Scheme and the Section 151 Officer is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and in line with Government guidance.

7.0 Notification of Decisions

7.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.

7.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after the application is received.

8.0 Reviews of Decisions

8.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.

8.2 All such requests must be made in writing to the Council within 14 days of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal.

8.3 The application will be reconsidered by a Senior Officer, as soon as practicable and the applicant informed in writing or by email of the decision.

9.0 Complaints

9.1 The Council's 'Complaint's Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.

10.0 Taxation and the provision of Information to Her Majesty's Revenues and Customs (HMRC)

10.1 The Council has been informed by the Government that all payments under the scheme are taxable.

10.2 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.

10.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

11.0 Managing the Risk of Fraud

- 11.1 Neither the Council, nor Government, will accept deliberate manipulation of the scheme or fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them.
- 11.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

12.0 Recovery of amounts incorrectly paid

- 12.1 If it established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

13.0 Data Protection and use of data

- 13.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.