



NORWICH
City Council

Norwich City Council Hospitality, Leisure and Travel Grant Scheme (Plan B – December 2021)

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Hospitality, Leisure and Travel (Plan B - December 2021) Grant Scheme

Introduction

This scheme is to provide assistance to businesses that are being impacted by the introduction of the plan B restrictions due to the omicron variant of covid-19. Many hospitality venues are seeing people cancelling Christmas events and parties and Norwich City Council recognises that these businesses need extra support.

To be eligible, businesses will need to evidence they were trading prior to 8 December 2021 and are still trading on their application date.

Grants will be based on the rateable value (RV) of the property they trade from as follows:

RV of £15,000 or less to pay £1,000

RV between £15,001 to £50,999 to pay £1,500

RV more than £51,000 to pay £2,000

The scheme will close to new applications no later than 31 January 2022. Awards will be subject to sufficient funding being available and the scheme may close earlier if the fund is fully committed

Eligibility

Businesses must:

- have been registered as trading before 8 December 2021
- employ fewer than 250 people
- be in the hospitality, leisure or travel sector
- not be in administration, nor insolvent and not be subject to a Striking Off Notice
- not have exceeded the permitted Subsidy limit (previously known as State Aid) in terms of support already received.
- Be registered as the rateable occupier for business rates at the property

Only one grant can be applied for and issued per rated property. Businesses who operate from more than one property in the city can receive multiple grants.

Payment of grants under this scheme are at the discretion of Norwich City Council. The Council reserves the right to exercise discretion in determining eligibility under the criteria of the scheme.

There is no right of appeal against a decision of the council to pay, or not to pay, an award from this grant scheme.

The Council does not accept any liability for any issues arising for businesses due to applying for, receiving, or not receiving grants under this scheme.

Applications

Applications can be made up to 31 January 2022, subject to sufficient funding being available, with all payments being made no later than 18 March 2022. Norwich City Council reserves the right to close the scheme to new applications earlier than 31 January 2022 should demand on the scheme near funding limits.

Applications must be made via the council's website. The following information will be required to complete the application:

- Company number (if applicable)
- VAT registration number (if applicable)
- National Insurance Number (if applicable)
- If trading as a Sole Trader or Unincorporated Partnership, proof of trading with UTR (Unique Tax Reference) number and start date will be required.
- A full business bank statement(s) covering the period October – December 2021 that clearly shows your account name, sort code, account number and business transactions

Grant income received by a business is taxable. This funding comes from the Additional Restrictions Grant (ARG) and will be subject to tax as applicable. The [Government's ARG Guidance](#) provides further information that you should ensure you are aware of.

Norwich City 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 recovery, as may any grants paid in error.

Subsidy (formerly State Aid)

The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period, which ended on 31 December 2020. This does not impact the limited circumstances in which State Aid rules still apply under the Withdrawal Agreement, specifically Article 10 of the Northern Ireland Protocol. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.

On Thursday 4 March 2021 new subsidy allowances were established for the COVID-19 business grants schemes, on the basis of the principles set out in Article 3.4 of the TCA.

There are three subsidy allowances for this scheme set out below: Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance.

Small Amounts of Financial Assistance Allowance

Grants may be paid in accordance with Article 3.2(4) of the TCA, which enables an applicant to receive up to a maximum level of subsidy without engaging Chapter 3 of the TCA. This allowance is 325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021.

COVID-19 Business Grant Allowance

Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid in compliance with the Principles set out in Article 3.4 of the TCA and in compliance with Article 3.2(3) of the TCA under the COVID-19 Business Grant Allowance (subsidies granted on a temporary basis to respond to a national or global economic emergency). For the purposes of these scheme rules, this allowance is £1,600,000 per single economic actor. This allowance includes any grants previously received under the COVID-19 business grant schemes and any State aid previously received under Section 3.1 of the European Commission's Temporary Framework across any other UK scheme.

COVID-19 Business Grant Special Allowance

Where an applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, it may be able to access a further

allowance of funding under these scheme rules of up to £9,000,000 per single economic actor, provided the following conditions are met:

- a. The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and 31 March 2022, including such costs incurred in any part of that period ('eligible period');
- b. Applicants must demonstrate a decline in turnover during the eligible period of at least 30% compared to the same period in 2019. The calculation of losses will be based on audited accounts or official statutory accounts filed at Companies House, or approved accounts submitted to HMRC which includes information on the applicant's profit and loss;
- c. Uncovered fixed costs' means fixed costs not otherwise covered by profit, insurance or other subsidies;
- d. The grant payment must not exceed 70% of the applicant's uncovered fixed costs, except for micro and small enterprises (for the purposes of this scheme defined as less than 50 employees and less than £9,000,000 of annual turnover and/or annual balance sheet), where the grant payment must not exceed 90% of the uncovered fixed costs;
- e. Grant payments under this allowance must not exceed £9,000,000 per single economic actor. This allowance includes any grants previously received in accordance with Section 3.12 of the European Commission's Temporary Framework; all figures used must be gross, that is, before any deduction of tax or other charge;
- f. Grants provided under this allowance shall not be cumulated with other subsidies for the same costs.

Undertaking in difficulty

'Undertaking in difficulty' means an undertaking in respect of which at least one of the following circumstances occurs:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years) where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'share capital' includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years) where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria for being placed in collective insolvency proceedings at the request of its creditors.

(d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.

(e) In the case of an undertaking that is not an SME, where, for the past two years:

- (1) the undertaking's book debt to equity ratio has been greater than 7.5 and
- (2) the undertaking's EBITDA interest coverage ratio has been below 1.0.