**OADBY & WIGSTON BOROUGH COUNCIL**

**CHRISTMAS SUPPORT GRANT FOR**

**WET-LED PUBS SCHEME**

**BUSINESS GRANTS FUND POLICY (21 December 2020)**

**1. Background**

* 1. On 1 December 2020, the Government announced the introduction of additional support over the festive period for wet-led pubs in areas under Tier 2 or 3 restrictions. See announcement: <https://www.gov.uk/government/news/prime-minister-announces-1000-christmas-grant-for-wet-led-pubs>

1.2 Local authorities under Tier 2 or Tier 3 restrictions for all or part of the period between 2 and 29 December 2020 will pay a £1,000 flat-rate grant to wet-led pubs.

1.3 This is one of several non-repayable business support grant schemes to be operated by councils announced by the Government in November and December 2020 in a continued response to the pandemic.

1.4 The grant payments to businesses are determined by the Government and local authorities will be reimbursed the actual cost of grants paid to eligible businesses.

1.5 Eligible businesses can get one grant for each eligible property on which the business pays rates.

1.6 Businesses can choose to spend the grants as they wish. The money does not need to be repaid.

**2. Who will benefit from this scheme?**

2.1 There is no definitive description of a traditional pub or public house in law that could be readily used by local authorities to determine eligibility. However, for the purposes of this grant, the Government states that pubs should under normal circumstances (without local or national restrictions) be described as: open to the general public, allow free entry other than when occasional entertainment is provided, allow drinking without requiring food to be consumed and permit drinks to be purchased at a bar.

2.2 For these purposes, the definition of a pub excludes: restaurants, cafes, nightclubs, hotels, snack bars, guesthouses, boarding houses, sporting

venues, music venues, festival sites, theatres, museums, exhibition halls, cinemas, concert halls and casinos.

2.3 For the purposes of this grant, a wet-led pub is defined as a pub that derives less than 50% of its income from sales of food.

2.4 Where a grant is issued, the business that according to the Council’s records was the ratepayer on 1 December 2020 is eligible to receive the grant.

2.5 Businesses must have been trading on 30 November 2020 to be eligible to receive funding under this scheme. Where local restrictions are preceded by national ‘lockdown’ measures, requiring the closure of businesses that are otherwise eligible, it is accepted that those businesses are still trading.

2.6 To meet assurance requirements set by the Government, pubs applying for the grant must self-certify that they meet all eligibility criteria. They must also provide accounting evidence that they derive under 50% of their income from food sales, to determine that the pub is wet-led. These accounts should be dated no later than 11 March 2020 (covering a reasonable period when trade was not affected by Covid-19).

2.7 Businesses established after 11 March 2020 and before 1 December 2020 will still be eligible for this grant. They are required to supply accounting evidence that they derive under 50% of their income from food sales covering the period that they have been open.

2.8 Applications must be received by 31 January 2021. The Council will provide grant funding as soon as possible and no later than 28 February 2021.

**3. Other Qualifying Conditions**

3.1 Businesses must not be in administration, insolvent or subject to a striking-off notice at the time of applying or receiving a grant.

3.2 Businesses must ensure that by receiving a grant they will not be in breach of state aid thresholds. In summary, grants can be received under the existing De Minimis rules, provided doing so does not exceed the rolling three-year €200,000 threshold. Payments made where the De Minimis threshold has been reached may be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000). A further temporary flexibility relates to uncovered fixed costs between March and December 2020. Additional rules apply for businesses that are ‘an undertaking in difficulty’. The Government provides more detailed information at https://www.gov.uk/guidance/check-if-youre-eligible-for-the-christmas-support-payment-for-wet-led-pubs. Businesses in any doubt should take their own legal advice.

3.3 Businesses may apply for this fund regardless of any other national or local COVID-19 grants or loans already received.

**4. Amount of each business grant**

4.1 Each eligible pub will receive a flat rate grant of £1,000.

**5. Applying for a grant**

5.1 Businesses must meet the criteria in section 2.

5.2 Applications should be made as soon as possible and in any event by 31 January 2021.

5.3 Applications should be made to the given email address. Businesses will be required to provide information to demonstrate eligibility and to prevent fraud and error, including accounts evidencing that (without the impact of Covid) the pub derives less than 50% of its income from sales of food; and confirmation of state aid compliance.

5.4 The Government has also asked the Council to collect other data, including the size of the business and the sector in which the business operates (*Section I: Accommodation and Food Service Activities* for this grant).

**6. Will these grant schemes be subject to tax?**

6.1 Grant income received by a business is taxable. Therefore, funding paid under this scheme will be subject to tax.

6.2 Only businesses which make an overall profit once grant income is included will be subject to tax.

**7 Managing the risk of fraud**

7.1 The Government and the 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 claw back, as may any grants paid in error.

7.2 The Government’s grants management and counter fraud functions provide local authorities with access to ‘Spotlight’, a digital assurance tool. This tool will also assist the Council with pre and post payments assurance, including identification of high-risk payments. There will also be joint working across councils and government departments in preventing fraud.

7.3 The Council also reserves the right to use any details submitted by businesses to check against national records and databases to highlight any potentially fraudulent activity.

7.4 The Council may withhold all or part of any grant payment where there is reason to believe that the eligibility conditions have not been met.

**8 Appeals**

8.1 There is no right to appeal, and the decision of the Council is final. The Council’s interpretation of this document is at its own discretion and it will be the final arbiter of the definitions contained within this policy.

**9 Policy Review**

9.1 This policy has been written in line with Government guidance. It will be subject to dynamic review as circumstances dictate and in line with future clarifications and changes that may be announced by the Government.

*Oadby & Wigston Borough Council*

*Revenues 21/12/2020*