# Subsidy Allowance Notes and Declaration

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.

There are now three subsidy allowances for this scheme as set out below: Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance, and the COVID-19 Business Grant Special Allowance. Grants provided in excess of the Small Amounts of Financial Assistance Allowance may not be granted to applicants that were defined as an ‘undertaking in difficulty’, the definition of which is attached as Appendix A.

**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 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. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000

**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;

g. Grants provided under this allowance shall not be cumulated with other subsidies for the same costs.

An applicant must be able to provide the necessary documentation to demonstrate it is eligible for funding under this COVID-19 Business Grant Special Allowance. Grants under the Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance may be combined for a potential total allowance of £10,935,000.

## Restart Grant Values

|  |  |  |
| --- | --- | --- |
| **Rateable Value** | **Strand One  Non-essential retail** | **Strand Two - Hospitality, accommodation, leisure, personal care, and gym businesses** |
| Up to £15000 | £2,667 | £8,000 |
| £15,001 to £50,999 | £4000 | £12,000 |
| £51,000 and over | £6000 | £18,000 |

**APPENDIX A**

**UNDERTAKING IN DIFFICULTY**

The 'Undertaking in Difficulty' test can be found at Article 2(18) of the [General Block Exemption Regulation](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710) which reads:

‘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 or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), 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, ‘limited liability company’ refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU ( 4 ) and ‘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 or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, ‘a company where at least some members have unlimited liability for the debt of the company’ refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law 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.

# Subsidy Allowance Form and Declaration

**Complete A or B below**

**A – Undertakings in receipt of more than £335,000 but less than £1,935,000 in aid**

Please completed the following tables and declaration before signing and emailing to [covid19businessgrants@eastsuffolk.gov.uk](mailto:covid19businessgrants@eastsuffolk.gov.uk)

|  |  |
| --- | --- |
| Reference of the application(s) submitted for Restart Grant | Expected grant amount (from table above) |
|  |  |
|  |  |
|  |  |

1. If my business undertaking receives the Restart Grants applied for, of up to [enter value]

£ my business undertaking will not receive more than **£1,935,000** in total of aid within the current financial year or the previous two financial years, in accordance with the **Small Amounts of Financial Assistance Allowance** and the **COVID-19 Business Grant Allowance**.

|  |  |  |  |
| --- | --- | --- | --- |
| **Amount of Aid** | **Date of aid** | **Organisations providing aid** | **Nature of aid** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

(Add further rows if needed)

I confirm that:

1) I am authorised to sign on behalf of [name of undertaking]; and

2) [name of undertaking] shall not exceed the thresholds under the **Small Amounts of Financial Assistance Allowance** and **COVID-19 Business Grant Allowance** schemes by accepting these grant payments.

3) The business is not an Undertaking in Difficulty.

4) I wish to accept these Restart Grant payments.

5) The information contained within this form and the application is true, complete, and correct.

6) I understand that East Suffolk Council may verify this information if they wish to do so.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

**B – Undertakings in receipt of more than £1,935,000 but less than £10,935,000 in aid**

Please completed the following tables and declaration before signing and emailing to [covid19businessgrants@eastsuffolk.gov.uk](mailto:covid19businessgrants@eastsuffolk.gov.uk)

|  |  |
| --- | --- |
| Reference of the application(s) submitted for Restart Grant | Expected grant amount (from table above) |
|  |  |
|  |  |
|  |  |

1. If my business undertaking receives the Restart Grants applied for, of up to [enter value]

£ my business undertaking will not receive more than **£10,935,000** in total of aid within the current financial year or the previous two financial years, in accordance with the **Small Amounts of Financial Assistance Allowance** and the **COVID-19 Business Grant Allowance,** and the **COVID-19 Business Grant Special Allowance**.

Please provide here a statement in respect of your business illustrating compliance with conditions (a) to (d) above of the COVID-19 Business Grant Special Allowance,

|  |  |  |  |
| --- | --- | --- | --- |
| Amount of aid | Date of aid | Organisations providing aid | Nature of aid |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

I confirm that:

1) I am authorised to sign on behalf of [name of undertaking]; and

2) [name of undertaking] shall not exceed the thresholds under the **Small Amounts of Financial Assistance Allowance, COVID-19 Business Grant Allowance,**  and **COVID-19 Business Grant Special Allowance** schemes by accepting these grant payments.

3) The business is not an Undertaking in Difficulty.

4) I wish to accept these Local Restrictions Support Grant payments.

5) The information contained within this letter, the application, and any supporting statement is true, complete, and correct.

6) I understand that East Suffolk Council may verify this information if they wish to do so.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE: