

#### **URGENT DELEGATED DECISION**

Date: 26 November 2020

Request to the Head of Paid Service to exercise delegated authority as per Responsibility of Functions in Part IV, page 28 of the Constitution.

"to determine any matter within the referred or delegated powers and duties of a committee / sub committee / board / working which is so urgent that a decision must be made before the next meeting of that committee / sub-committee / board / working group is due to be held."

Limits on delegation: -

- Before making a decision using this delegated power, The Head of Paid Service shall consult with and take cognisance of the views of the Chairman (or in his absence the VC) of the relevant Committee / Sub-Committee etc; and
- Any decision taken by the Head of Paid Service under this delegated power shall be reported to Members within five working days of the decision taken.
- During the COVID-19 Pandemic we have also committed to consult with the Leader of the Opposition on such decisions.

-----

#### **Usual Decision Maker: -**

This decision would have been taken by Prosperous Communities Committee / Corporate Policy and Resources Committee.

This decision needs to be made and implementation commence before these Committees are due to meet.

The decision is in response to changing Governance guidance and announcements relating to the second national lockdown and continued economic support for those businesses affected.

Call-in does not apply.

#### **Background**

The background to this decision is as detailed in the report titled "West Lindsey District Council Open and Impacted Business Support Grant Policy" which is appended to this decision.

#### Reason for Urgency and Rationale for use of urgent Delegated Decision

Following the Government's announcement on 31<sup>st</sup> October 2020 introducing new national restrictions from 5<sup>th</sup> November to 2<sup>nd</sup> December 2020, certain businesses and venues were required to close or restrict how they provide goods and services for this period.

The Government has provided West Lindsey District Council with two funding allocations to deliver support to businesses affected by the national restrictions.

An initial **Local Restrictions Support Grant (Closed)** allocation of £1,329,516 has been provided. The **Additional Restrictions Grant** is a single allocation to Local Authorities based on £20 per head of population (ONS 2019 Mid-Year Population Estimates). The allocation for West Lindsey is £1,913,340. This fund must be utilised by Local Authorities to run a discretionary grant scheme.

As per the decision taken on 12<sup>th</sup> November, the Closed Business Support Grant was launched and to-date had received 407 applications. Officers were continuing to check, verify and process the applications, making payments to 197 businesses totalling £291,110.

As part of the Council's approach to the use of the Additional Restrictions Grant, this report set out the proposed policy to support businesses which were not mandated to close as a result of the national restrictions 5<sup>th</sup> November to 2<sup>nd</sup> December, but were severely impacted by the restrictions. The policy would be known as the Open and Impacted Business Support Grant Policy.

An urgent decision was therefore required in order to allow for the Local Authority Open and Impacted Business Support Grant Policy to be approved in order that businesses could begin to apply for the funding as a matter of urgency.

The full rationale for the decision, and the criteria for the schemes, is contained with the report which is appended.

#### **Financial Detail and Implications**

#### DD/13/21

Full financial details and implications are contained within the appended report.

#### Notes of Consultation Relevant to the Decision

Members were appreciative of the initiative to assist those businesses that had been impacted by the second lockdown but were not eligible for the Closed Business Support Grant. It was also recognised that the urgency required to assist such businesses was driving the need for the delegated decision.

Members enquired as to the communication methods with affected businesses and how the West Lindsey approach aligned with neighbouring local authorities. It was explained that Officers were using social media, website communications and business advisors in order to identify affected businesses in a timely manner. It was also explained that there was a neighbouring local authority that had taken the same approach as West Lindsey although there were also authorities that had not yet progressed with any similar policy.

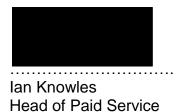
It was highlighted that the support grant for eligible businesses was specifically for the period of the second national lockdown. Many of the businesses highlighted by Members, such as small cafes, would be eligible for support grants under the mandatory Government support scheme however the intention of the Open and Impacted Business Support Grant Policy was to support those businesses who had not been mandated to close but had been unable to maintain business as usual, such as supply chain businesses.

Members discussed the need for decisions regarding the policy to be made in a timely manner given the rapidly changing guidance and regulations. It was agreed that, in order for such decisions to be made at the earliest opportunity, it was acceptable for there to be consultation with one of the three Members present rather than to hold a designated meeting. It was emphasised that this was in relation to such decisions that were, overall, guided by Government regulations and full consultation with Members, either through the committee process or via delegated decision meetings would continue for those decisions where the council could influence policy.

It was acknowledged that the original recommendations for Members were for these decisions to be delegated to Senior Officers alone, however, with agreement from all present this was amended to include consultation with one Member of the meeting, according to individual availability. This led to recommendations two and three being amended accordingly. It was also agreed that recommendation five (detailed in the appended report) be removed as it was relevant to Officers rather than Members. Officers committed to continuing to update all Members via the weekly email communication from the Chief Executive. As a result of these discussions, the decisions made were as detailed below.

#### **Decision**

- 1. That the West Lindsey District Council Open and Impacted Business Grant Support Policy is approved.
- 2. That any amendments required pending release of final guidance and subsequent updates are delegated to the Assistant Director of Planning and Regeneration, in consultation with the Chief Executive and one of the following Members: the Chairman of the Corporate Policy and Resources Committee, the Chairman of the Prosperous Communities Committee or the Leader of the Opposition.
- 3. That future mandatory grants with discretionary elements continue to be worked up by the Assistant Director of Planning and Regeneration in consultation with the Assistant Director Finance, Business Support and Property Services (S151), the Chief Executive and one of the following Members: the Chairman of the Corporate Policy and Resources Committee, the Chairman of the Prosperous Communities Committee or the Leader of the Opposition.
- 4. That Members receive further decision reports on the remaining elements of the Additional Restrictions Grant Discretionary Fund in due course.



As the Chairman of the Corporate Policy and Resources Committee I have been fully consulted on this matter



Anne Welburn Chairman of Corporate Policy and Resources

As the Chairman of the Prosperous Communities Committee and Leader of the Council I have been fully consulted on this matter



Owen Bierley

Leader of the Council / Chairman of the Prosperous Communities Committee

As the Leader of the Opposition I have been fully consulted on this matter



Leader of the Opposition.

Date all Members were notified of the decision: 3 December 2020



# Head of Paid Service Delegated Decision

26/11/2020

Subject: West Lindsey District Council Open and Impacted Business Support Grant Policy.

Ian Knowles

Report by:

Contact Officer: Sally Grindrod-Smith

Assistant Director Planning and Regeneration

01427 676637

sally.grindrod-smith@west-lindsey.gov.uk

Purpose / Summary:

To set out the West Lindsey District Council Open and Impacted Business Support Grant Policy.

#### **RECOMMENDATION(S):**

- 1. That the West Lindsey District Council Open and Impacted Business Grant Support Policy is approved.
- 2. That any amendments required pending release of final guidance and subsequent updates are delegated to the Assistant Director of Planning and Regeneration.
- That future mandatory grants with discretionary elements continue to be worked up by the Assistant Director of Planning and Regeneration in consultation with the Assistant Director Finance, Business Support and Property Services (S1515) and the Chief Executive.
- 4. That members receive further decision reports on the remaining elements of the Additional Restrictions Grant Discretionary Fund in due course.
- 5. That Management Team receive bi –weekly progress reports on the delivery of the fund.

#### **IMPLICATIONS**

**Legal:** Local authorities are responsible for the delivery of grants to eligible businesses. Section 1 of the Localism Act 2011 provides all local authorities with the views to make these payments.

(N.B.) Where there are legal implications the report MUST be seen by the MO

#### Financial: DD/13/21

The cost to West Lindsey District Council will be met through the allocation of funds from the Additional Restrictions Grant.

The initial allocation provided to West Lindsey for the Additional Restrictions Grant is £1,913,340.

New burdens grant is available to support in the administration of the grants and a full time member of staff has been employed for a period of one year to assist in the administration of the grants. There may be a need to extend this capacity in the future.

**Staffing:** There are staffing implications of the delivery of this grant. It has been agreed by Management Team that staff from across service areas will come together to deliver this fund, as they did with the Small Business Grant Fund and Retail Leisure and Hospitality Fund. It is anticipated that this is a short term redeployment requirement which will be kept under review.

In addition, we have employed a member of staff on a one year temporary contract as a Finance Assistant to assist in all aspects of delivery, with a particular focus on pre and post award assurance. This post will be funded from the New Burdens Grant. We are likely to require additional staff resource over the period of the next six months which would be temporary in nature and funded through New Burdens Grant.

(N.B.) Where there are staffing implications the report MUST have a HR Ref To be included

**Equality and Diversity including Human Rights**: Accessibility of the scheme has been considered and with experience of delivery of the first grant scheme we anticipate that support may be needed from some businesses to access and complete the application. In order to provide this support we have two members of the team ready to deal with telephone questions, queries and requests for support and one member of the team who will specifically monitor the 'Growth' in box.

**Data Protection Implications:** The management of sensitive data through this process has been considered through the application process. Data will not be used for purposes other than the delivery of this grant and the application form addresses our data protection policy.

Climate Related Risks and Opportunities: None					

#### Section 17 Crime and Disorder Considerations: None

**Health Implications:** Experience in administering the first schemes raised a significant well-being issue for the team delivering the grant. The issue was two-fold, firstly many ineligible businesses were very unhappy, often angry, aggressive and rude to team members on the phone. This was compounded by significant volumes of calls and emails which overwhelmed our capacity. Secondly, businesses were often in distress, making provision of signposting a challenge to the team.

It is anticipated that similar challenges may occur with this grant fund. In order to support our team we have devised clear roles around answering of phones and mail box queries. We have made the guidance and process as explicit and clear for applicants as possible. We will be realistic with our customers around response times should it be required. We will meet regularly as a team, likely to be daily,to deal with difficult cases together and provide support. It is worth noting that there has been no break from administering the first scheme to the launch of the new scheme and this could further compound our well-being challenge. This will be kept under regular review and is a concern that is shared across the regional geography and has been raised with colleagues in BEIS.

In terms of support to businesses, we have established a safeguarding procedure with our safeguarding lead should there be an issues we feel require further action. We will also have clear signposting to further advice and guidance through Business Lincolnshire Growth Hub.

# Title and Location of any Background Papers used in the preparation of this report :

West Lindsey District Council Open and Impacted Business Support Grant Policy (Attached)

Local Restrictions Support Grant (Closed) Guidance for Local Authorities (November 2020)

Local Restrictions Support Grant (Closed) Addendum (November 2020)

Local Restrictions Support Grant (Closed) Addendum FAQ's

Additional Restrictions Grant FAQ's

Both guidance documents can be found at the following link:

https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities

Risk Assessment :		

# Call in and Urgency: Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply? i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman) Key Decision: A matter which affects two or more wards, or has significant financial

implications

#### 1. Introduction

- 1.1 Following the Government's announcement on 31<sup>st</sup> October 2020 introducing new national restrictions from 5<sup>th</sup> November to 2<sup>nd</sup> December 2020, certain businesses and venues were required to close or restrict how they provide goods and services for this period.
- 1.2 Government has provided West Lindsey District Council with two funding allocations to deliver support to businesses affected by the national restrictions.
- 1.3 An initial Local Restrictions Support Grant (Closed) allocation of £1,329,516 has been provided. The Additional Restrictions Grant is a single allocation to Local Authorities based on £20 per head of population (ONS 2019 Mid-Year Population Estimates). The allocation for West Lindsey is £1,913,340. This fund must be utilised by Local Authorities to run a discretionary grant scheme.
- 1.4 As per the decision taken on 12<sup>th</sup> November, we launched the Closed Business Support Grant and have to date received 407 applications. We continue to check, verify and process the applications. Making payments to 197 businesses totalling £291,110.
- 1.5 As part of our approach to the use of the Additional Restrictions Grant, this paper sets out our proposed policy to support businesses which were not mandated to close as a result of the national restrictions 5<sup>th</sup> November to 2<sup>nd</sup> December, but were severely impacted by the restrictions. This policy will be known as the Open and Impacted Business Support Grant Policy.

# 2. West Lindsey District Council Open and Impacted Business Support Grant Policy

2.1 Based upon published guidance, experience of the businesses that have applied for the closed grant support and available funds, we have developed an initial and immediate response to support businesses that were not forced to close but were severely impacted through the national restrictions period.

#### 2.2 Qualifying Criteria

Businesses based within West Lindsey District, which have been severely impacted by the national level restrictions (5<sup>th</sup> November – 2<sup>nd</sup> December 2020), but not required to close.

This may include (but is not limited to):

- Businesses within the supply chain of those required to close (e.g. food and drink, events and hospitality services)
- Businesses which can continue to operate but with a significantly reduced demand or loss of income (at least 30% reduction in income)

Businesses will be required to demonstrate that they have been severely impacted by the national restrictions as part of the application process. This will be in the form of provision of bank statements and a personal statement setting out the level of impact cased to their business.

#### 2.3 Grant Awards

A one-off grant payment will be awarded to cover the national restriction period, from 5<sup>th</sup> November 2020 to 2<sup>nd</sup> December 2020, in line with grants paid under the Closed Business Grant Support Policy.

Subject to funding, awards will be made as follows:

Rateable value / annual lease, rent or mortgage	Rate paying business	Non rate paying business - with annual lease, rent or mortgage
	One-off grant award	One-off grant award
£51,000 or above	£2,100	£2,100
£15,001 - £50,999	£1,400	£1,400
£4,000 - £15,000	£934	£934
£500 - £3,999	£934	£500
Below £499	£934	Does not qualify

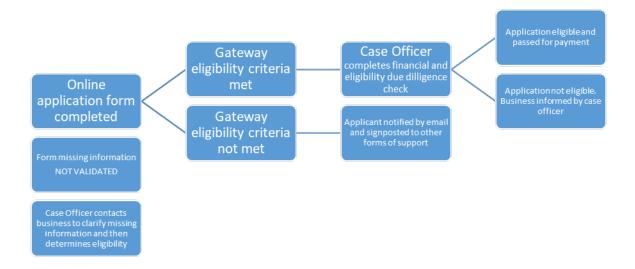
Award levels are in line with the Government's 'Local Restrictions Grant Fund (Open)', introduced previously as part of the local lockdown strategy.

#### 2.3 Timescales

Applications will be open from 27<sup>th</sup> November and will close on 16<sup>th</sup> December 2020 at 5pm.

#### 3. How will businesses access the fund?

3.1 The diagram set out below shows how businesses will access the fund. This is the same process used in the delivery of previous rounds of Covid 19 grant funds.



- 3.2 The Council will be obliged to report to the Department for Business, Energy and Industrial Strategy the amount of grants paid out on a weekly basis with immediate effect.
- 3.3 All grant funds are subject to the usual state aid requirements.
- 3.4 A process of due diligence has been established to verify details provided by the business. This will include pre assurance checks using the Governments Spotlight software to check bank account details and an NFI check to assist with combatting fraud.
- 3.5 Full details of the grant fund will be published on the Council website and details made available through our social media channels. We already have a number of businesses that are awaiting the publication of the scheme.

#### 4. Further Additional Restrictions Grant Policy

- 4.1 As set out previously, the Additional Restrictions Grant be utilised for wider business support up to March 2022.
- 4.2 No further discretionary allocation will be made therefore this fund must support businesses across the District through any future national restrictions.
- 4.3 WLDC's approach to utilisation of the Additional Restrictions Grant allocation will continue to be the subject of further decision papers, whilst any mandatory grants available due to local restrictions will be dealt with in line government policy.

#### **West Lindsey District Council**

## National level restrictions 5<sup>th</sup> November – 2<sup>nd</sup> December 2020 Open and Impacted Business Grant Policy

#### Introduction

Following the Government's announcement on 31st October 2020 introducing new national restrictions from 5<sup>th</sup> November to the 2<sup>nd</sup> of December 2020 certain businesses and venues are required to close or restrict how they provide goods and services for this period.

Funding of £1,913,340 has been awarded to West Lindsey District Council through the Additional Restrictions Grant to provide additional support to businesses impacted by the covid-19 pandemic.

The Council is prioritising the use of its Additional Restrictions Grant funding to assist businesses which are not eligible for support under the Local Restrictions Support Grant criteria but have been severely impacted by national level restrictions 5<sup>th</sup> November – 2<sup>nd</sup> December 2020. This includes businesses outside of the business rate system which have been required to close (see our Closed Business Grant Support Policy) and businesses which have remained open but have been severely impacted by the crisis.

This document sets out the criteria under which open businesses severely impacted by the crisis will qualify to make an application for a grant and the evidence required in support of an application.

Grants covered by this policy will be in accordance with Government Guidance issued on 3<sup>rd</sup> November 2020 in respect of the Additional Restrictions Grant Schemes. Any updated guidance or FAQs subsequently published by Government in respect of these schemes will also apply. Guidance can be accessed via the following link.

https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities

#### **Qualifying Criteria**

Businesses based within West Lindsey District, which have been severely impacted by the national level restrictions (5<sup>th</sup> November – 2<sup>nd</sup> December 2020), but not required to close (see Appendix A for closure legislation).

This may include (but is not limited to):

- Businesses within the supply chain of those required to close (e.g. food and drink, events and hospitality services)
- Businesses which can continue to operate but with a significantly reduced demand or loss of income (at least 30% reduction in income)

Businesses will be required to demonstrate that they have been severely impacted by the national restrictions as part of the application process.

#### **Exclusions**

- Businesses located outside of the West Lindsey District Council area
- Businesses that are eligible for a grant under the Closed Business Grant Support Policy
- Businesses that cannot evidence that they have been severely impacted in terms of the qualifying criteria set out above
- Businesses that were not actively trading on 4 November 2020 or have ceased trading or closed without being required to do so as part of Government restrictions
- Businesses that are in liquidation or dissolved or subject to a striking off notice (on or before the date of the grant award) or are defined as an undertaking in difficulty on 31 December 2019 (See Appendix B)
- The council will not provide grant support to a business where there is evidence to support that they are having a detrimental impact on the region, our residents or our communities.

#### **Grant Conditions & State Aid**

This support is in addition to other Government support schemes, including the Coronavirus Job Retention Scheme, Self Employed Income Support Scheme or equivalents government backed loans and business grants (with the exception of those qualifying for support under the Closed Business Grant Support Policy)

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 should be paid under the Covid-19 Temporary Framework for UK Authorities (threshold of €1 when combined with De Minimis aid). 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 be able to receive further grant funding. Businesses in any doubt should take their own legal advice.

Subject to state aid limits, businesses will be entitled to receive a grant for each eligible hereditament during the time national restrictions are imposed. Some businesses may receive more than one grant where they have more than one eligible hereditament.

Grants will only be payable to the liable party who according to the Local Authority's billing records was the ratepayer in respect of the hereditament or the liable party in respect of the lease or mortgage agreement on the date of the first full day of national restrictions to qualify for support.

Where the Local Authority has reason to believe that the information that they hold about the ratepayer/liable party on the first full day of the national restrictions is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct party.

Any grant received by the business will be used only for the purpose intended i.e. to help alleviate the financial pressure of the recipient business to carry out its business.

#### **Declaration**

All business will need to sign a declaration form to confirm that they are the liable party, that the business is eligible in accordance with the conditions outlined in this Policy and the government guidance and to confirm the accuracy of all information within the application form.

The Council will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back as may any grants paid in error.

#### **Grant Awards**

A one-off grant payment will be awarded to cover the national restriction period, from 5<sup>th</sup> November 2020 to 2<sup>nd</sup> December 2020, in line with grants paid under the Closed Business Grant Support Policy.

Subject to funding, awards will be made as follows:

- The eligible business rate payer on the local rating list with a rateable value of exactly £51,000 or above, or business with annual lease, rent or mortgage costs of exactly £51,000 or above on the commencement date of the national restrictions, will receive £2,100 per 28-day qualifying restriction period.
- The eligible business rate payer appearing on the local rating list with a rateable value over £15,000 and less than £51,000, or business with annual lease, rent or mortgage costs over £15,000 and less than £51,000 on the commencement date of the national restrictions, will receive £934 per 28-day qualifying restriction period.
- The eligible business rate payer appearing on the local rating list with a rateable value of exactly £15,000 or under, or business with annual lease, rent or mortgage costs between £4,000 and £15,000 on the date of the commencement of the national restrictions will receive a payment of £9,334 per 28-day qualifying restriction period.

- Business with annual lease, rent or mortgage costs between £500- £3999 will receive a payment of £500 per 28-day qualifying restriction period.
- Business with annual lease, rent or mortgage costs below £499 do not qualify

Rateable value / annual lease, rent or mortgage	Rate paying business	Non rate paying business - with annual lease, rent or mortgage
	One-off grant award	One-off grant award
£51,000 or above	£2,100	£2,100
£15,001 - £50,999	£1,400	£1,400
£4,000 - £15,000	£934	£934
£500 - £3,999	£934	£500
Below £499	£934	Does not qualify

Mortgage costs will be apportioned depending on space used for business purposes.

Award levels are in line with the Government's 'Local Restrictions Grant Fund (Open)', introduced previously as part of the local lockdown strategy.

#### **Application Process**

Applications should be made online.

Businesses will be required to provide information to demonstrate eligibility. This includes:

- Business Bank Statement for October and November 2020 with highlighted business transactions (mix of income and expenditure)
- Most recent Business Rates Bill or Signed Lease /Rent or Mortgage Statement with details of annual costs
- A statement to explain how the business has been impacted by the national level restrictions (5<sup>th</sup> November 2<sup>nd</sup> December 2020) and evidence in support. (Further evidence may be required to support your request for funding eg: financial information)
- Declaration that the business is eligible under the conditions outlined in this Policy and that receipt of grant complies with State Aid rules

The application form, including the declaration must be fully completed with all the required evidence to be considered for a grant.

Subject to funding, payments will be made to eligible businesses once the application has been validated and eligibility confirmed.

Businesses <u>must</u> tell the Council of any changes in circumstances that might affect eligibility for grant payments. Failure to do this could lead to grants being clawed back.

Please refer to www.west-lindsey.gov.uk for the latest information on support available to businesses and local grants.

#### **Timescales**

Applications will be open from 27<sup>th</sup> November and will close on 16<sup>th</sup> December 2020 at 5pm.

Further funding windows and/or additional support schemes may be offered for further lockdowns and/or if resources are still available in the future.

#### **Additional Details**

Grant income received by a business is taxable. Only businesses which make an overall profit once grant income is included will be subject to tax.

The Council is relying on businesses to be honest and open, and to present all of the evidence requested. The council may ask for additional information in order to verify an application.

The Council will only accept fully completed online application forms and the required evidence to support the application.

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.

State Aid rules and requirements apply to this scheme.

Businesses will need to notify their Local Authority if they no longer meet the eligibility criteria for additional grants at any point in any local restrictions period. For example, if they become insolvent.

There shall be no right of appeal and the decision of the Council is final.

The Council reserves the right to vary the terms of the scheme at any time should it be necessary to do so.

#### **Rating List Changes**

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

Local Authorities are not required to adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the date that local restrictions began.

In cases where it was factually clear to the Local Authority on the local restriction date that the rating list was inaccurate on that date, Local Authorities 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. This is entirely at the discretion of the Local Authority and only intended to prevent manifest errors.

Where the Local Authority chooses to use this discretion then landlords and managing agents are urged to support the Local Authority in identifying quickly the correct ratepayers.

#### **Business Rate Liability**

West Lindsey District Council will investigate if any business applying shall be liable for business rates, if not already liable, where applicable.

If the business is liable for business rates and has arrears owed to the Council this may stop a grant being paid. The business may be given the opportunity to clear these arrears

### Appendix A

Extract from Schedule 2 of The Health Protection (Coronavirus, Restrictions) (England) (No. 4) Regulations 2020 for those businesses mandated to close: <a href="https://www.legislation.gov.uk/uksi/2020/1200/pdfs/uksi\_20201200\_en.pdf">https://www.legislation.gov.uk/uksi/2020/1200/pdfs/uksi\_20201200\_en.pdf</a>

#### **Appendix B**

#### What does it mean to be an Undertaking in Difficulty?

An 'undertaking in difficulty' is defined as an undertaking in 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.
- 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 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:
  - i. The undertaking's book debt to equity ratio has been greater than 7.5; and
  - ii. The undertaking's earnings before interest, tax, depreciation and amortisation (EBITDA) interest coverage ratio has been below 1.0.

This test only applies to payments made under the Temporary Framework, but excludes small and micro businesses (less than 50 employees and less than EUR 10 million of annual turnover and/or annual balance sheet).

# WLDC Available Funding Schemes National and Local Restrictions

Covid Alert Level / Funding Source	Tier One	Tier Two	Tier Three	National Restriction
Local Restriction Support Grant Closed (Addendum)				
Local Restrictions Support Grant Closed			*	
Local Restrictions Support Grant Open			*	
WLDC Closed Business Support Grant				
WLDC Open and Impacted (proposed grant)				*