

# Additional Business Support policy

## Phase 9 (closed): March 2022 postscript



### Introduction

The Council's ABSG (Phase 9) scheme for January 2022, has now **closed**. This postscript adds to the policy by setting out the level of supplementary grants now being paid to eligible businesses who successfully applied for an ABSG Phase 9 grant before the closing date of 21 February 2022 and passed the required pre-payment checks (see paragraph 5 on page 3).

The City Council has distributed government-funded support grants to businesses in Cambridge in the context of the Covid-19 pandemic. The Chancellor of the Exchequer announced in late December 2021 that further support would be available for businesses most impacted by the Omicron variant. As well as a national [Omicron Hospitality & Leisure Grant](#) (OHLG) for business rate-paying businesses in the hospitality, accommodation & leisure sectors, the government provided extra Additional Restrictions Grant (ARG) funding for councils to develop a new round of their own local grants for businesses not qualifying for the OHLG scheme. In January 2022, Cambridge received an ARG top-up of around £215,000.

Our local scheme has been called the [Additional Business Support Grant](#) (ABSG) scheme. There were eight ABSG rounds between November 2020 and December 2021. Whilst the additional ARG funding from government in January 2022 has been welcome, the top-up was not enough to meet the high demand for financial support across a wide range of businesses in Cambridge<sup>a</sup>. In developing this ABSG Phase 9 policy, difficult decisions had to be made about which sectors to prioritise for grants, taking account of the continued impact of the pandemic (for example, the scale of on-going fixed costs incurred by businesses in different sectors and the impact of restrictions on their ability to trade). See page 3 for the key features of this scheme, including the applicant categories. In line with the official guidance from government, all businesses seeking an ABSG Phase 9 grant needed to apply by 21 February 2022.

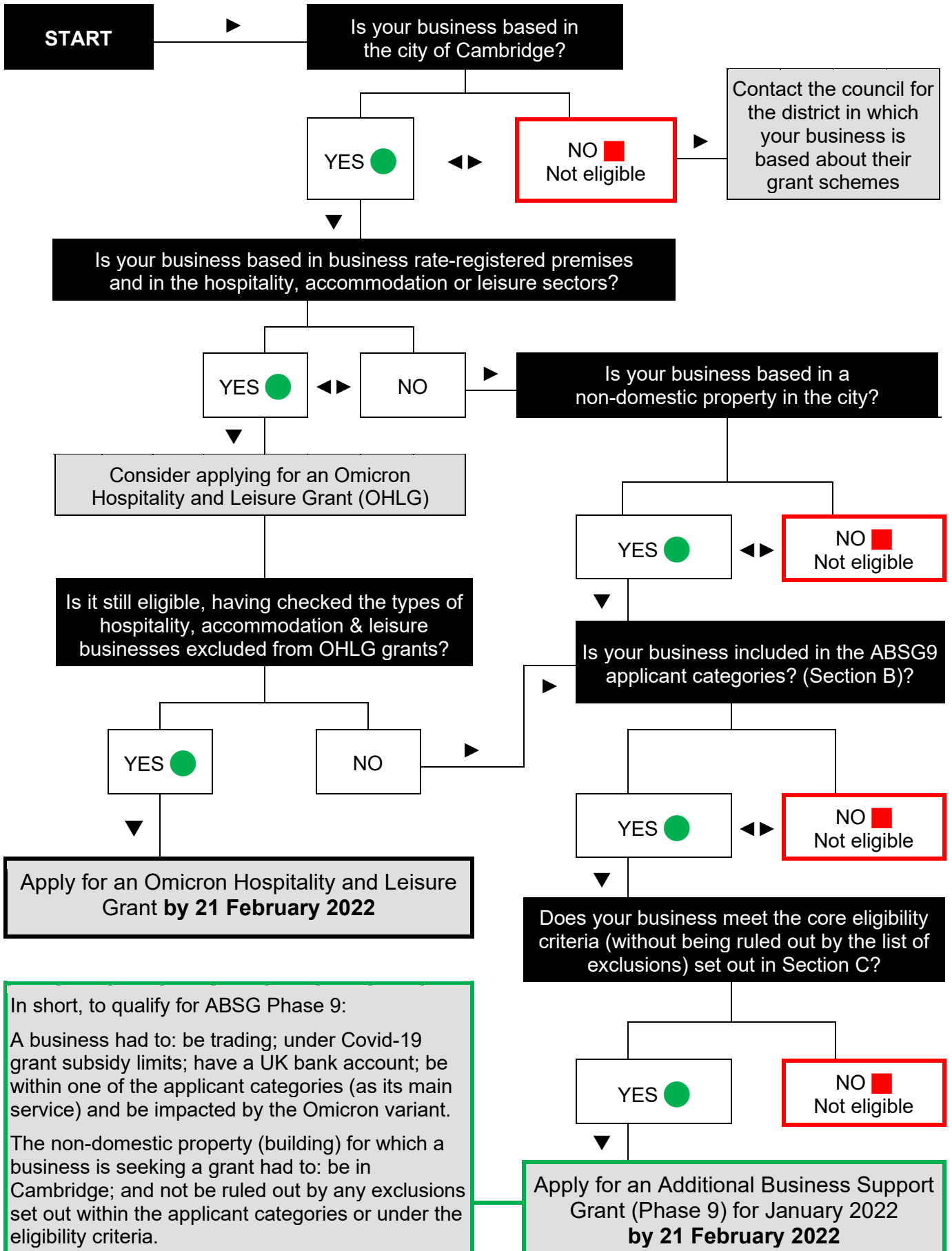
Regardless of how the Council distributed the government's recent top-up funding, we have been mindful that, sadly, it was not going to meet all the needs of businesses in the city. Please be assured that we are doing as much as we can to help, both now and looking forward. For more information about the support available, to help both businesses and residents through the pandemic, please see our [Coronavirus](#) web pages.

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a. Compare the recent c.£215,000 ARG top-up with the amount that the Council paid in ABSG grants for mid-February to end March 2021 (almost £770,000). Also note that, as the OHLG scheme did not include several sectors that were covered by previous national Covid-19 grant schemes, this placed even greater pressure on the ABSG Phase 9 scheme. See also footnote (h) on page 6.

## Eligibility flow chart for the ABSG Phase 9 and OHLG grants (now closed)

One application per eligible non-domestic property in Cambridge in which a business is based.



In short, to qualify for ABSG Phase 9:  
 A business had to: be trading; under Covid-19 grant subsidy limits; have a UK bank account; be within one of the applicant categories (as its main service) and be impacted by the Omicron variant.  
 The non-domestic property (building) for which a business is seeking a grant had to: be in Cambridge; and not be ruled out by any exclusions set out within the applicant categories or under the eligibility criteria.

## A. Key features of the ABSG Phase 9 scheme

1. ABSG Phase 9 grants for January 2022 were available to businesses that were impacted by the Omicron variant of the Coronavirus, but which did not qualify for the OHLG scheme.
2. To qualify for ABSG Phase 9, a business needed to be based in a non-domestic property in Cambridge AND operate (as its main service) in one of these sectors (see Section B):
  - i. Gyms and indoor sports;
  - ii. Personal care;
  - iii. English language schools and travel agents;
  - iv. Hospitality, accommodation and indoor leisure sectors (not covered by OHLG); and
  - v. Suppliers to the hospitality/accommodation/indoor leisure/gym & indoor sports sectors.

**If a business was not based in a non-domestic property and/or operated in a different sector, we could not offer a grant under our ABSG Phase 9 scheme.**

3. Some exclusions applied (see paragraphs 7, 10, 12, 15, 16 & 20). Please note also that:
  - i. those renting only part of a non-domestic property (say, a chair in a hair & beauty salon or a treatment room in a therapy centre) were not eligible for a grant; and
  - ii. with the exception of English language schools, travel agents and suppliers covered by paragraph 2(v), the main activity provided in the non-domestic property for which a business was seeking a grant had to be in-person, traded services to customers.
4. To be eligible for an ABSG Phase 9 grant, the businesses had to: be trading (NOT in liquidation, dissolved, struck off or subject to a striking-off notice); be operating within Covid-19 grant subsidy limits; and have a UK bank account.
5. The amount payable to eligible businesses depended on their relevant grant band: a business could receive a grant for each of their eligible non-domestic properties in Cambridge. Having taken stock of the applications received<sup>b</sup>, the Council in March 2022 can now provide supplements to ABSG Phase 9 grant recipients as follows.

Grant bands (one grant per eligible property)	Grant	Supplement
<b>Low:</b> Businesses in a non-domestic property in Cambridge with a rateable value (RV) or annual rent of £15,000 or less	£1,000	<b>£200</b>
<b>Medium:</b> Businesses in a non-domestic property in Cambridge with an RV or annual rent more than £15,000 but below £51,000	£1,750	<b>£350</b>
<b>High:</b> Businesses in a non-domestic property in Cambridge with a rateable value or annual rent of £51,000 or more	£2,500	<b>£500</b>

6. Any business seeking an ABSG Phase 9 grant needed to apply even if it had previously received earlier Covid-19 business grants from the Council. Applications providing all the necessary information were assessed on a 'first come, first served' basis. See Section D for more information. **The application deadline was 11.59pm on 21 February 2022.**

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b. The scheme was publicised on the Council's website and by news releases, social media posts and by targeted emails and follow-up messages to rate-paying businesses in Cambridge in the relevant applicant categories. Support was provided to businesses that needed help to apply for a grant. The closing date was set to allow sufficient time for pre-payment checks, so that grants could be paid by 31 March 2022. Only businesses passing Phase 9 pre-payment checks could be paid a grant.

## B. Applicant categories

To be eligible for ABSG Phase 9, your business needed to be BOTH based in a non-domestic property in Cambridge AND operate in one of the sectors described in paragraphs 9 to 16.

### General points

7. For the purposes of the ABSG Phase 9 scheme, a non-domestic property was defined as a building registered for business rates or exempt from rating<sup>c</sup>. Unless exempt from rating, the occupant of such a property might either pay the business rates themselves OR be tenants whose landlord pays the business rates. Exclusion: There could be no more than one grant (either OHLG or ABSG Phase 9) for the same non-domestic property<sup>d</sup>.
8. In addition to the sector-specific exclusions listed below, please note the two general exclusions highlighted in paragraph 3 and the eligibility criteria exclusions in paragraph 20.

### Gyms and indoor sports facilities

9. A gym or indoor sports business is one where (as its main service) physical exercise or training is conducted on an individual basis or group basis, using exercise equipment or open floor space with or without instruction, or where individual and group sporting, athletic and physical activities are participated in competitively or recreationally.
10. **Sector-specific exclusions:** outdoor sports facilities; and home-based gyms, exercise studios or sports courts/grounds.

### Personal care

11. A personal care business is one providing (as its main service) a treatment or activity or close-contact service<sup>e</sup> for the purposes of personal beauty, hair, grooming, body care, aesthetics (including tattoos and piercings), holistic care or well-being.
12. **Sector-specific exclusions:** businesses only providing personal care goods (as opposed to services); personal care training centres, dental services, opticians, audiology services, chiropody, chiropractors, osteopaths and other medical or health or mental health services.

### English language schools and travel agents

13. Restrictions on international travel have had a substantial impact on bookings both by Cambridge residents for holidays abroad AND by international tourists looking to study English in Cambridge. Although tourism tends to be at its peak in the summer months, it was recognised that the rise in the Omicron variant was likely to have subdued future bookings further. A business operating as an English language school (as its main service) could apply for an ABSG grant for the non-domestic property (or properties) in Cambridge which it occupied in January 2022.

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c. Exempted premises might include educational establishments or church halls and offices.

d. Only the eligible business occupying the non-domestic property (i.e., not the landlord) could qualify for an ABSG Phase 9 grant.

e. 'Close-contact' businesses include practitioners of electrolysis, acupuncture, semi-permanent tattooing (e.g., micro blading) and other non-medically qualified services.

## Hospitality, accommodation and indoor leisure sectors

14. These sectors were defined as follows.

- i. A hospitality business is one whose main function is to provide a venue for the consumption or sale of food and drink. Food kiosks and businesses whose main service is a 'take-away' (ineligible for the OHLG scheme) could qualify for ABSG Phase 9.
- ii. An accommodation business is one whose main lodging provision is used for holiday, travel or other purposes.
- iii. An indoor leisure business is one providing (as its main service) indoor opportunities, experiences and facilities, in particular for culture, recreation, entertainment, celebratory events and days and nights out.

15. **Sector-specific exclusions:** A business in the hospitality, accommodation and leisure sectors that was eligible for an Omicron Hospitality and Leisure Grant could not qualify for a grant under the ABSG Phase 9 scheme for the same non-domestic property<sup>f</sup>. Exclusions also applied to:

- i. take-away activities from a non-domestic property whose main service is retail;
- ii. private dwellings<sup>g</sup>, education accommodation, residential homes, care homes, residential family centres and beach huts; and
- iii. retail businesses<sup>h</sup> not qualifying under another applicant category<sup>i</sup>; coach tour, walking tour and day trip operators; and halls & pavilions used for occasional party bookings.

## Suppliers to the hospitality or accommodation or indoor leisure or gym & indoor sports sectors

16. A business operating as a supplier to the hospitality or accommodation or indoor leisure or gym & indoor sports sectors is one where the supply of goods or services to these sectors is a main service (for example, a wholesaler or specialist supplier of food and drink or an events catering business or a provider of laundry services to hotels, restaurants and indoor sports centres). The supplies provided had to be used by the supplier's business clients in these sectors to provide in-person services to customers on their premises.

**Sector-specific exclusions:** retail shops, food stores and other occasional suppliers whose service to the hospitality or accommodation or indoor leisure or gym and indoor sports sectors is incidental to their service to the general public.

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f Please note that if a business was based in more than one non-domestic property in Cambridge, some qualifying for OHLG grants and others qualifying for ABSG Phase 9 grants, it was possible for it to receive both types of grant.

g. Applications from residential/domestic lettings agencies were not eligible for an ABSG Phase 9 grant.

h. For the Covid-19 (Tier 2) restrictions in December 2020, the Council paid around £660,000 in grants to over 550 retail businesses in non-domestic properties using the initial ARG funding from government. (Please also note that, across all previous ABSG phases (up to Phase 8), the Council had distributed over £1.4 million to businesses beyond non-domestic properties). Sadly, the most recent ARG top-up (c.£215,000) was not enough to provide meaningful grants to shops and all the other types in businesses struggling to cope with the Omicron variant in January 2022.

i. For example, as a travel agent or as a hair & beauty salon.

## C. Eligibility criteria

17. In line with the requirements set out in government official guidance, a business applying for an ABSG Phase 9 grant needed to:
- i. be trading (see paragraph 18);
  - ii. not be in liquidation, dissolved, struck off or subject to a striking off notice;
  - iii. be operating within Covid-19 grant subsidy limits<sup>j</sup> (see paragraph 19); and
  - iv. have a UK bank account.
18. Official guidance defined ‘trading’ as “carrying on a trade or profession, or buying and selling goods or services in order to generate turnover”. Indicators of trading included that:
- i. it continued to trade online or via click and collect services etc; and/or
  - ii. it was engaged in business activity, managing accounts, preparing for reopening, planning and implementing COVID-safe measures.
19. New national **rules on Covid-19 business grant subsidies** came into effect on 4/3/2021. Under the Small Amounts of Financial Assistance Allowance<sup>k</sup>, a ‘single economic actor’<sup>l</sup> must not have received more than £335,000 in grants (including any subsidies given under EU State Aid De Minimis regulations) over a rolling ‘relevant period’ (three fiscal years).
- i. In cases where this threshold was reached, there was a Covid-19 Business Grant Allowance of a further £1,600,000 (including any previous related EU State Aid over the relevant period) per single economic actor. Beyond this, there was a Covid-19 Business Grant Special Allowance where grant applicants might be able to access another funding allowance of up to a further £10,000,000 (including any previous related EU State Aid over the relevant period) per single economic actor, subject to conditions.
  - ii. Grant applicants needed to consult their own financial advisers if they had any questions about whether they complied with the government’s these new national rules.

## Exclusions

20. In addition to the exclusions set out in paragraphs 3, 7, 10, 12, 15 and 16, the following did NOT qualify for an ABSG Phase 9 grant:
- i. a business not based in a non-domestic property in Cambridge (businesses run from domestic properties paying council tax came under this exclusion);
  - ii. business tenants in a non-domestic property without a formal tenancy agreement;
  - iii. any business without the required food premise registration from Environmental Health (e.g., short-term holiday lets, B&Bs & businesses selling food for public consumption);
  - iv. any business not complying with the government’s Covid-19 safe-working regulations<sup>m</sup>;
  - v. individuals seeking wage support; and
  - vi. applications from local authorities.

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j. The business also needed to confirm it was not an ‘undertaking in difficulty’ on 31 December 2019.

k. These ‘allowances’ referred to limits/maximum thresholds, rather than another form of grant.

l. This was defined as an entity or group of entities constituting a single economic entity, regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.

m. If enforcement action was taken against a business contravening Covid-19 requirements, it would be ineligible for the grant and any grant payment already made would be clawed back.

## D. Applications process

21. Any business seeking an ABSG Phase 9 grant needed to apply by the closing date even if it had previously received earlier Covid-19 business grants from the Council<sup>n,o</sup>. A business could apply for each of their eligible premises in Cambridge.
22. **Closing date:** The application deadline was 11.59pm on Monday 21 February 2022. Any application that had not been assessed or completed pre-payment checks or (if applicable) the review stage by the time all funding was awarded would not qualify for a grant.
23. **Information required:** The application form asked the business to provide:
  - i. the key data required by government<sup>p</sup>,
  - ii. other information needed to check eligibility for the ABSG Phase 9 grant and to conduct standard fraud prevention checks<sup>q</sup>
  - iii. its account reference numbers with the Council;
  - iv. some simple questions about how it had been impacted by Omicron variant; and
  - v. confirmation by the individual applying for the business that he/she was authorised to do so, and that the information provided was true & accurate to the best of their knowledge.
24. Businesses did not need to submit supporting evidence with their application form. They needed to answer all necessary questions within the form. It was made clear that any applications providing incomplete information would be turned down for a grant.
25. Businesses needed to notify the City Council if their circumstances changed (including a change of address) or if, between the applying and receiving payment, they no longer met the eligibility criteria for grants under ABSG Phase 9 (for example, if they became insolvent or reached the maximum grant permitted under the Covid-19 grant subsidy limits).
26. **Assessment:** Applications answering all the necessary questions were assessed on a 'first come, first served' basis against the applicant categories, eligibility criteria & exclusions set out in this policy. We aimed to process applications within 10 working days. It was explained that all applicants would be notified whether their application had been successful (subject to pre-payment checks): if unsuccessful, a summary of reasons would be provided.
27. **Review process:** Unsuccessful applicants could request a reassessment if they disputed the Council's assessment of their ineligibility for a grant. They had to set out their reasons why and how, they considered, the application did meet the relevant applicant category and eligibility criteria or why it should not be invalidated by the list of exclusions.

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- n. Central government required new applications to ensure that local authorities had an up-to-date set of key information about grant applicants in order to facilitate fraud prevention.
  - o. Applications for ABSG grants were also welcomed from eligible businesses which had not previously applied for, or been awarded, an ABSG grant.
  - p. This included the name of business; business trading address (including postcode); a unique identifier (e.g., company reference number); high-level SIC code; nature of business; date business established; number of employees; and business rate account number (if applicable).
  - q. This included business' bank account details (e.g., the name and address of the bank, the business account holder and address; and the sort code and account number) and the date of birth of the individual applying on behalf of the business.

28. Requests for reviews had to be made within 5 working days of notification of an unsuccessful application. The review would be undertaken by a senior manager not involved in the previous assessment of the grant application. The outcome of the review would be the Council's final decision. Once all the government funding available for the ABSG Phase 9 scheme has been paid out, no further reviews would be undertaken.
29. **Fraud prevention:** The Council does not accept deliberate manipulation & fraud and uses government schemes (e.g. the [National Fraud Initiative](#)) to take reasonable steps to prevent fraud & error. The policy made clear that the Council would make pre-payment checks on businesses & bank accounts and post-payment assurance checks to identify any irregular payments. The government made its Spotlight digital assurance tool available to councils to support the process. Any applicant found to have falsified records to gain grants would face prosecution: any funds issued will be subject to claw back, as may any grants paid in error.
30. The policy also made clear that, if any queries were raised as part of the pre-payment checks, the Council might ask particular applicants for relevant supporting evidence to expedite the process. This might include (as appropriate) requests for a recent bank statement or proof of annual rent from businesses:
- i. that had not previously received a Covid-19 business grant since November 2020; or
  - ii. that had received a grant before but whose bank details had changed since last time;
  - iii. or that had received a grant before but whose annual rent had changed significantly (e.g., from one grant band to another) since previous grant payments were made.
- If further evidence, requested by the Council's grant assessment team, was not received within three working days, the application would be refused.
31. **Payments:** The policy explained that the Council would pay eligible applicants as soon as possible. Given the expected high demand from local authorities across the country for pre-payment checks, the Council was not in a position to predict how long the payment process might take. That said, payments would be made by 31 March 2022 at the latest.
32. Grant income received by a business would be taxable. ABSG grant recipients would need to include the grants received as income in the tax return of the business. Only businesses which made an overall profit once grant income was included would be subject to tax.
33. **Data protection:** The Council is regulated by the UK-GDPR and Data Protection Act 2018. Personal information collected on application forms is used for administering grant payments, research & evaluation, auditing public funds and preventing & detecting fraud.
- i. The policy explained that we might share data within the Council and with external partners such as (but not limited to) the Department for Business, Energy & Industrial Strategy [BEIS]<sup>r</sup>, HM Revenue & Customs, other public organisations, government agencies & credit reference agencies.
  - ii. The policy explained that we might also contact applicants using the details provided in connection with this form and the information supplied. BEIS may also contact businesses about the Covid-19 business grants received from the City Council.
  - iii. Applicants can request a copy of the information we hold about them. Personal data is only retained for as long as necessary. For more details on how the Council uses personal data and your associated rights, see the Council's [privacy notice](#).

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r. See the [BEIS privacy notice](#) about how it handles personal data across all Covid business grants.