

## **Covid 19 Local Authority Discretionary Grant Scheme Policy 2020/21**

In response to the Coronavirus, Covid-19, the Government announced there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors, delivered through the Small Business Grant Fund and the Retail, Leisure and Hospitality Grant Fund.

This additional fund is aimed at small businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund. In recognising that economic need will vary across the country, the Government have set some national criteria for the fund, whilst allowing local authorities to determine which cases to support within those criteria.

Local Authority Discretionary Grant Fund - Hereditaments included in this scheme are those which on the 11 March 2020 were eligible for relief under the criteria detailed below, had that criteria been in force on that date.

The full Governments guidance notes can be found on the link below.

[\*\*View more information on the eligibility\*\*](#)

### **Grant Amounts**

The Council will work within budget when making awards and adapt its approach to local circumstances, providing support for small and micro-businesses that meet the eligibility criteria.

Grants awarded by the Council from this discretionary grant fund will be capped at a maximum £25,000. In the first instance, it is not possible to determine the level of grant allocation to each eligible business, as the Council's allocation is fixed and the number of eligible businesses is unknown.

The Council is keen to balance the need to pay eligible businesses as soon as possible with an equitable consideration to ensure that no eligible business misses out and a clarity consideration to ensure that the features of the policy are clear and understandable. In order to establish this balance, the scheme has the following features:

The scheme will be opened 5<sup>th</sup>-21<sup>st</sup> June 2020 to the business types set out in 'priority businesses' below.

Applications will be assessed from 22<sup>nd</sup> June 2020 and analysis of take-up will be undertaken. Payments to eligible businesses who have fully completed the application process will be issued from 6<sup>th</sup> July 2020.

The following guideline sums will be used when assessing applications

Award Levels		
1	Hereditaments over £15,000 Rateable Value and not eligible under retail, leisure, hospitality - but have had significant losses. In particular suppliers to businesses that have been locked down	£25k
2	Hereditaments not retail, leisure, hospitality but have had significant losses. In particular suppliers to businesses that have been locked down	£10k
3	Hereditaments not rated at 11 <sup>th</sup> March but trading and which would otherwise have qualified under the small business and/or retail leisure and hospitality schemes.	£10k
4	Hereditaments which were not eligible under the small business scheme, but with a rateable value of less than £15,000	
5	Bed and Breakfast properties listed as Council Tax	£10k
6	Charities which would otherwise have qualified for small business rate relief	£5k
7	Not Rated - Shared Space (e.g. offices within larger hereditament, sublets etc.)	£5k
8	Not Rated - Market Traders	£2k
9	Not Rated – shared facilities e.g. chair rents in hairdressers	£2k
	Not Rated – minimal property costs e.g. works from home	£2k

From 6<sup>th</sup> July 2020 further invitations to apply will be issued to businesses who:

Have not fully completed the required information associated with the initial application process.

Appear to meet the core eligibility criteria but have not yet made an application

Have been refused a grant under the small business and/or retail leisure and hospitality schemes after the initial application period for the discretionary scheme was closed.

This policy will then be further reviewed in the light of any remaining funding in order to determine if there is scope for

Additional allocations to those priority businesses which have applied and been assessed as eligible

Extension of the scheme to further types of businesses which meet the definitions for eligibility set out in the section below

A combination of the above two

At the point that this decision is made, this Policy will be further updated to reflect that decision.

The grant does not need to be paid back and is designed to help businesses cope with the impact of Covid-19.

## Eligibility Criteria

Only businesses which were trading on 11 March 2020 are eligible for this scheme. Funding is to be provided to the person who is the business owner (e.g. Sole trader, partnership, Limited Company) in respect of the hereditament on this date.

The eligibility criteria for this fund has been set by Central Government and is primarily aimed at small and micro businesses (defined in the guidance) with relatively high

fixed building costs who can demonstrate they have suffered a significant fall in income due to the Covid-19 crisis.

The fund is prioritised for businesses with a rateable value of less than £51,000 who are:

- Small businesses in shared offices or other flexible workspaces. Examples include units in industrial parks, science parks and incubators, which do not have their own business rates assessment;
- Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;
- Bed and Breakfasts which pay Council Tax instead of business rates; and
- Charities in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief with a rateable value below £15,000.

### **Definitions of Priority Businesses**

The following definitions have been used to determine which businesses fall into the priority categories:

- Small businesses in shared offices or other flexible workspaces. Examples include units in industrial parks, science parks and incubators, which do not have their own business rates assessment;

Businesses which do not have a separate assessment for non-domestic rates - e.g. those businesses which do not occupy a separate hereditament within the 2017 rating list and on the 11<sup>th</sup> march 2020 were trading and shared the premises with other businesses.

- Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment; primarily these will be businesses not individually assessed for non-domestic rating on the basis that another party has paramount occupation of the hereditament.

As with the other priority businesses for this fund, these will be businesses who do not have a separate assessment for Non-Domestic Rating (i.e. those businesses who do not occupy a separate hereditament within the 2017 Rating List). It should be noted that 'stores' used by traders shall not be eligible for a Discretionary Business Grant. The Council has decided that for the purpose of this scheme, market traders shall be defined as: "a business or person who sells goods wholly or mainly to visiting members of the public from a stall, pitch or similar, from a place or market recognised by the Council as a market".

Where the business is street trading, the business or person must hold a valid street market licence issued by the Council.

All market traders must prove to the Council that as at 11th March 2020, they had a regular pitch or stall within the Council's area from which they sold goods to visiting members of the public.

For the purposes of this scheme, 'regular' is defined as at least weekly. Where the market trader traded less frequently, the Council will not consider the business as priority for a grant.

Where a market trader operates in more than one local authority area, the applicant will need to certify that they trade primarily in the Council's area or have fixed business base within the Council's area. Where a grant is claimed from another authority, no grant will be awarded by the Council.

- Bed and Breakfasts which pay Council Tax instead of business rates

For the purpose of this scheme, these businesses are those who do not occupy a

separate hereditament within the 2017 Rating List and who the Valuation Office Agency would deem to fall within the Council Tax Valuation List.

For the avoidance of doubt, the Council will consider this as a priority business if:

(a) the Bed and Breakfast property is domestic and therefore subject to council tax rather than business rates;

(b) It provides short stay accommodation for no more than six persons at any one time within the past year;

(c) The property is the sole or main residence of the proprietor(s) and the bed and breakfast use is subsidiary to the private use; and

(d) The business was trading on 11th March 2020.

In determining subsidiary use the Council shall take into account:

Whether the majority of the premises is being used for business purposes: and

If the premises have been adapted to alter the character of the property beyond that of a private house.

Where the Council has determined that the Bed and Breakfast premises should have been subject to Non- Domestic Rating, the business shall not be considered as a priority for a Discretionary Business Grant.

The Council has determined that any premises where it considers that the Bed and Breakfast business is basically 'home sharing' and where advertising is wholly undertaken through 'home sharing' websites will not take priority for the fund.

Charities in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief with a rateable value below £15,000.

In certain cases, where a charity was in receipt of mandatory relief under Section 43 of the Local Government Finance Act 1988, it would not have been entitled to either Small Business Rates Relief or Rural Rate Relief. As such it would not have been able to receive a grant under the Small Business Grant Fund.

The Council will give priority to charities who, were it not for the receipt of mandatory relief, would have met the qualifying criteria for the Small Business Grants (see the Council's policy for Direct Business Grants). It should be noted that this only relates to premises that would, but for the receipt of mandatory rate relief, have received a percentage reduction under the Small Business Rates Criteria. In the main this will be premises with a Rateable Value of £15,000 or less and where the ratepayer occupies only one premises (excluding any premises which would be disregarded under the Small Business Rates Relief scheme).

**Eligible businesses must demonstrate that they fall into all of the following categories:**

- have relatively high ongoing fixed property related costs
- have suffered a significant fall in income due to Covid-19
- meet the definition of a [small or micro business as set out in the Companies Act 2006 and reproduced in paragraphs 21 and 22 of the government guidance.](#)
- they were trading as at 11 March 2020

The guiding principles under the Small Business Grant and Retail Hospitality and Leisure Grant Schemes in relation to "Effective Date" and Retrospective Changes" will equally apply to this grant, where appropriate and relevant.

The Council is responsible for making payments to businesses and will interpret legislation and guidance in exercising its judgement to determine whether or not eligibility is met as part of this decision making process.

Subject to expenditure on the Government's four priority business types listed above, the Council may exercise discretion to consider other miscellaneous businesses, based on local cultural and economic need, which have missed out on other grant schemes and have not received support from other sources.

Therefore, other businesses may still apply for grant if they are able to provide sufficient evidence that they were trading on 11 March 2020, operating with relatively high fixed property costs, and suffered a significant loss in income due to Covid-19. However, there is the possibility that all available funding will be fully allocated to businesses falling within the Government's four priority areas.

## **Exclusions**

This grant funding is for businesses that are not eligible for other support schemes. Businesses which have received cash grants from any central government COVID-related scheme are ineligible for funding from the Discretionary Business Grants Fund. Such grant schemes include but are not limited to:

- Small Business Grant Fund
- Retail, Hospitality and Leisure Grant
- The Fisheries Response Fund
- Domestic Seafood Supply Scheme (DSSS)
- The Zoos Support Fund
- The Dairy Hardship Fund

However, businesses who have applied for the Coronavirus Job Retention Scheme are eligible to apply for this scheme.

Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.

## **Additional Grant Information**

### **Claiming a Grant**

The Discretionary Business Grant form should be submitted on or before 21 June 2020 and is available on the [Discretionary Grants Fund page](#).

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This will involve the ratepayer declaring to the council if they have received any other de-minimus State aid or aid provided under the EU Commission Covid-19 Temporary Framework.

### **Scheme of Delegation**

This policy has been approved by the Leader of the Council under emergency powers. However, the S151 Officer is authorised to make scheme amendments to ensure it meets Council criteria, in line with Central Government Guidance as it evolves.

### **Review of Decision**

Government Guidance makes clear that there is no statutory appeal procedure in relation to the Council making discretionary decisions under these schemes. It is up to the local authority to apply the guidance as they see fit. However, the Council will

accept a ratepayers request for a review of the decision, in circumstances where either the grant is refused or there is dispute in relation to the level of grant awarded.

Requests for review should be made in writing and submitted to: Business Grant Review, Rossendale Borough Council, The Business Centre, Futures Park, Bacup, OL13 0BB

Alternatively email - [nndr@rossendalebc.gov.uk](mailto:nndr@rossendalebc.gov.uk)

Reviews may take up to 12 weeks to process and will be conducted independently by the Council's S151 Officer who plays a key role in ensuring compliance with all financial, statutory and constitutional requirements.

The decision on review will be provided in writing and is considered final.

### **Other Grant Conditions**

The Council has been informed by Treasury that all grants are taxable. Ratepayers should make their own enquiries to establish any tax position or liability.

A business is not obliged to accept the grant and can decline it if they do not require support.

### **Managing the risk of Fraud**

All grant claims will be processed through a series of checks, including checks against our business rates database and checks using the Government Spotlight anti-fraud software.

The Council reserves the right to verify/put on hold any claim to enable detailed checks to be carried out. Neither the Council, nor the Government will accept deliberate manipulation of the scheme and fraud.

Any ratepayer caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to clawback, as may any grants paid in error.

Ratepayers should note that, where a grant is paid by the Council, details of each grant will be passed to government departments, as allowed under the Data Protection Act 2018, to prevent fraud.

### **Effect on Council Finances**

The Council is required, on a weekly basis, to report to Central government a range of information relating to how many eligible businesses received grants and the amount granted.

All monies paid through the grants system will be funded by Central Government and paid to the Council under S31 of the Local Government Act 2003.

The Government guidance on which this document is based is subject to ongoing change and, as such, this document may also be subject to change.

The Council is not liable if any of the changes affect the eligibility of any business for any of the COVID-19 grants.