



DISCRETIONARY BUSINESS GRANT POLICY

MAY 2020

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Introduction.

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, in the form of two grant funding schemes, the **Small Business Grant Fund (SBG)** and the **Retail, Hospitality and Leisure Grant Fund (RHLG)**.

An additional **Local Authority Discretionary Grant Fund (LADG)** was subsequently introduced to help business who could not benefit from the previous grants but had nonetheless suffered a loss as a result of the pandemic.

This document will explain how these schemes have been implemented in Stafford Borough and how the Council has used the discretions bestowed upon it.

General Conditions.

The following conditions apply to all of the grants described in this document;

- The property in question was 'occupied' in accordance with ordinary rating rules on 11 March 2020.
- The applicant complies with the conditions of claiming and provides such information as is reasonably required in support of a claim.
- Any application for any of the grants included in this document may be used to pay the most advantageous grant, provided the necessary information is included.
- The applicant had, at 11 March 2020, complied with all appropriate legal requirements regarding the conduct of their business and occupation of their premises. This includes, but is not restricted to, any licencing and planning consents required.
- Where a grant is dependant upon an entry in the Rating List, that entry must have been present on 11 March 2020. The Council will only have regard to retrospective entries in the Rating List if there is clear evidence that the entry which appeared at 11 March is incorrect.
- Premises which are sparsely occupied such that, in the opinion of the Council, are being occupied primarily to avoid empty property charges, will not be entitled to a discretionary grant.
- The Council will conduct appropriate fraud and verification checks and anyone applying for a grant undertakes to co-operate with those checks.
- Anyone providing false or misleading information in order to obtain a grant, will be required to repay the grant and may face prosecution.
- Grants will only be paid by bank transfer and no other method.
- All grants are paid at the discretion of the Council and so this policy will be reviewed and updated in line with prevailing local and national priorities and guidance.
- The grants are paid from fixed budgets in line with government funding. Payment of all grants will stop in the event that the allocating funding is fully utilised.
- All grant applicants will be notified of their entitlement.
- Anyone dissatisfied with a refusal to pay grant or with the amount paid, can request a review of the decision. Such a request must be in writing and include the reasons why the decision is believed to be wrong. The review will be undertaken by the Revenues Manager, Local Taxation and Benefits Manager or Chief Financial Officer.
- No formal appeals process exists.

Small Business Grant (SBG)

Hereditaments included in this scheme are those which on the 11 March 2020 were eligible for relief under the business rate Small Business Rate Relief Scheme (including those with a Rateable Value between £12,000 and £15,000 which receive tapered relief).

Hereditaments that were not eligible for percentage SBRR relief (including those eligible for the Small Business Rate Multiplier) are excluded.

Hereditaments which on 11 March 2020 were eligible for relief under the rural rate relief scheme are also eligible for this scheme.

Eligible recipients will receive one grant per hereditament.

Small Business Grant cannot be paid in respect of;

- Hereditaments occupied for personal uses. (Examples of where there may be personal use include private stables and loose boxes, beach huts and moorings)
- Car parks and parking spaces
- Businesses which as of the 11 March were in liquidation or were dissolved
- Charities which cannot qualify for SBRR.

Retail, Hospitality and Leisure Grant (RHLG)

Hereditaments which on the 11 March 2020 had a rateable value of less than £51,000 and would have been eligible for a discount under the business rates Expanded Retail Discount Scheme had that scheme been in force for that date are eligible for the grant.

Eligible recipients will receive one grant per hereditament.

Retail Leisure and Hospitality Grant cannot be paid in respect of;

- Hereditaments occupied for personal use.
- Car parks and parking spaces.
- Businesses which as of the 11 March were in liquidation or were dissolved
- Hereditaments with a rateable value of over £51,000.

Local Authority Discretionary Grant (LADG)

Government guidance announced on 13 May 2020 and updated on 26 May provided further discretions for local authorities to support businesses which could not qualify for Small Business or Retail Leisure and Hospitality Grants.

The local scheme is expected to target Small and Micro Businesses in the local authority area, including those who do not have their own business rate assessment. Particular priority is to be given to;

- Occupiers of shared spaces
- Market Traders
- Bed and Breakfast establishments, who do not pay business rates
- Charities which cannot be eligible for Small Business Rate Relief, or Grant

The local authority can then use its allocated funding to support other businesses, as it deems appropriate.

In order to receive a grant, the business must be able to demonstrate significant fixed, property related costs, which can include;

- Commercial Mortgage interest payments
- Commercial Rent
- Unavoidable property based service charges
- Buildings and contents insurance in respect of commercial premises
- Utility bills in respect of commercial premises.

For the avoidance of doubt, with the exception of registered and licenced bed and breakfast premises, traders who operate from home or other domestic property cannot apply and outgoings in respect of a domestic property will not be counted as fixed property costs for the purpose of this grant.

Businesses will need to demonstrate a significant losses of income, directly attributable to covid-19. In all cases the loss will need to be documented by the person making the application and evidenced by the provision of such information that the Council requires, including;

- Previous trading accounts to demonstrate the expected income during the period from 1 April to 30 June 2020
- Accounts and/or bank statements to demonstrate actual income received in that period.
- In light of the Discretionary Fund available to the Council and the eligibility related to premises costs grants in the first instance will represent the lesser of 13 weeks such costs or £5,000. Any discretionary grant awarded cannot exceed the maximum available under the SBF or RHLG scheme notably £10,000 or £25,000 respectively .

In taking decisions on the appropriate level of grant, the Council will take into account the level of fixed costs faced by the business in question, the number of employees, whether businesses have had to close completely and are unable to trade online and the consequent scale of impact of COVID-19 losses.

The Council will require evidence of the qualifying factors, before any grant is paid.

No grant can be paid to businesses who have received awards under the following schemes, including amounts paid by other local authorities.

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

Businesses who have applied for the Coronavirus Job Retention Scheme (or furlough scheme) are eligible to apply for this scheme.

Traders who are eligible for the Self-Employed Income Support Scheme (SEISS) are eligible to apply for this scheme as well.

Only businesses which were trading on 11 March 2020 are eligible 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.

Implementation of LADG - Phase 1.

Given the number of potential applicants and complexity of assessments, the Council is taking a phased approach to implementation of the LADG.

During the period from 1 June to 21 June 2020, applications will only be accepted from businesses in the priority groups, namely;

- Occupiers of shared spaces
- Market Traders
- Bed and Breakfast establishments, who do not pay business rates
- Charities which cannot be eligible for Small Business Rate Relief, or Grant

Occupiers of Shared Spaces

It is accepted that some businesses trade from shared accommodation and whilst they do not pay an individual rate bill, and so are excluded from previous grant schemes, will nonetheless be contributing to the rate liability of another party, such as the landlord. Furthermore these businesses may well be suffering from the effects of Covid-19 as are business rate payers.

The Council therefore, on receipt of an acceptable application, supported by appropriate evidence, will pay a grant equal to the lesser of, **£5,000** or **13 weeks** (or 3 months) fixed property costs, as follows

- Commercial Mortgage interest payments, supported by documentation from the mortgagee, to confirm the amount of interest included in the payments..
- Commercial Rent, supported by a lease or rental agreement showing the contractual rent due.
- Unavoidable property based service charges, supported by a lease or contract showing the contractual amounts due.
- Buildings and contents insurance in respect of commercial premises, supported by policy and invoice documentation. (One quarter of an annual charge can be claimed)
- Utility bills in respect of commercial premises, supported by evidence of the amounts due.

Regular Market Traders

Market Traders, who attend the same premises on at least 3 days per week and who have a regular contractual commitment to premises costs, can apply for a grant of the lesser of **£5,000** and **13 weeks** (or 3 months) fixed property costs, as follows;

- Rent in respect of the stall(s), confirmation from the landlord of the amount due.
- Unavoidable property based service charges, supported by a lease or contract showing the contractual amounts due.
- Buildings and contents insurance if not included in the rent or service charge. (One quarter of an annual charge can be claimed)
- Utility bills in respect of stall(s) if not included in the rent or service charge.

No grant can be paid in respect of traders who attend on a casual or occasional basis or who occupy a moveable unit or vehicle, where no fixed property costs are due.

Bed and Breakfast Establishments,

Small Bed and Breakfast establishments which are responsible for Council Tax rather than Business Rates may still be eligible for a grant.

A grant of the lesser of £5,000 or the amount of income demonstrated to have been lost due to Covid-19 can be paid in the following circumstances:

- No business rate assessment exists (RLH Grant could be paid to rateable premises)
- Less than 6 rentable bed spaces exist.
- The property is wholly or mainly used as guest or boarding premises.
- Meals are provided (self catering accommodation is excluded)
- Planning consent for use as guest or boarding premises exists
- The business registered with Council's Environmental Health department when setting up the B&B to the property assessed.

Businesses who did not put in place the appropriate consents and registrations, prior to 11 March 2020 will not be eligible for a grant.

Charities Not Eligible for Small Business Rate Relief, or Grant

Charities that provide retail, leisure or hospitality services are eligible for RLHG in respect of the premises from which the services are provided.

However, charities which use their properties for other purposes cannot be eligible for SBG, even if they satisfy the rateable value parameter. Charities are expressly excluded from the SBRR, upon which the grant is based.

A fixed grant of £5,000 will be paid to charities in the following circumstances:

- The premises satisfy the qualifying conditions for mandatory charitable relief.
- The premises are used for purposes other than retail, leisure or hospitality.
- The rateable value of the premises does not exceed £15,000
- The charity occupies only one property in England, or if several properties are occupied
 - None have a rateable value more than £2,899
 - The aggregated rateable values do not exceed £20,000
- The charity demonstrates a significant loss of income during the period 1 April to 30 June 2020.

Implementation of LADG - Phase 2.

On 22 June 2020, applications from other businesses will be invited. In order to be considered a business must;

- Have been trading from the premises on 11 March 2020
- Have significant fixed property costs
- Have suffered significant losses of income as a direct result of covid-19.

- Have a rateable value not exceeding £51,000
- Be a small or micro company, satisfying at least 2 out of the following 3 criteria;
 - Employ less than 50 people
 - Have an annual turnover not exceeding £10.2m
 - Have balance sheet assets not exceeding £5.1m
- Not have received a disqualifying grant or government support
 - Retail, Hospitality and Leisure Grant
 - The Fisheries Response Fund
 - Domestic Seafood Supply Scheme (DSSS).
 - The Zoos Support Fund
 - The Dairy Hardship Fund

Awards will be determined according to the funding available at that time and will be assessed according to

- The nature of the business, with priority being given to businesses supporting the rural economy.
- The size of the organisation.
- The level of income lost
- The ability of the organisation to sustain the reduced income.

Implementation of LADG - Phase 3.

Should funding remain available on 1 August 2020, applications will be invited from other organisations, requiring assistance to recovery from the impact of covid-19.

State Aid.

Grants are subject to state aid rules and recipients will be required to confirm compliance with the prevailing rules.