

APPENDIX A

Discretionary Business Support Grant Fund Guidelines

Redditch Borough Council

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Introduction

1. In response to the Coronavirus outbreak the Government announced that there would be support for small businesses and businesses within the retail, hospitality and leisure sectors that provide services to visiting members of the public.
2. The support took the form of two grant funding schemes the Small Business Grant Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RHLGF). The purpose of the grants is to support businesses to pay their fixed property costs.
3. On 2nd May 2020 the Government identified that a number of business were excluded for the schemes and announced that additional funding would be provided for local authorities to develop their own discretionary grant funding schemes. This document provides guidance on the operation of this discretionary fund within the Borough of Redditch.

How much funding is available for the discretionary scheme?

4. The Government has announced that an additional 5% uplift would be made to the £12.33 billion funding that was available for the SBGF and RHLGF. The uplift will be calculated based on the anticipated expenditure at 3rd May 2020. The amount will be available for Redditch Borough Council is £724,000
5. The costs of the discretionary scheme operated by Redditch Borough Council are not permitted to exceed the available funding.

How will the scheme operate?

6. The Government has determined that local authorities should prioritise support to:
 - a. Businesses in shared offices which do not have their own assessment in the non-domestic rating list.
 - b. Charities occupying small business properties with a rateable value of less than £15,000 who do not qualify for RHLGF and are excluded from claiming small business rate relief, or rural rate relief as a result of their entitlement to charitable rate relief.
 - c. Market Traders, who have fixed building costs, but who do not have their own business rates assessments
 - d. Small Bed and Breakfasts which are not subject to business rates.

For the operation of the discretionary scheme these businesses will be referred to as priority one businesses.

7. Local authorities are able to identify their own priority business which may receive funding from the discretionary scheme.

8. Redditch Council has identified that businesses within the events and exhibitions sector; and businesses with the travel and leisure sector that do not provide services to visiting members of the public have been severely affected by the Covid-19 pandemic and are not eligible for support under the existing grant schemes. It is anticipated that they will remain impacted by restrictions on social gatherings for some time and therefore businesses in these sectors will, alongside the Government's priority lists, be given preference for support. For the purposes of Redditch's discretionary scheme these businesses will be referred to as priority two businesses.
9. Pubs, Gyms and Children's activity centres remain closed as a result of the coronavirus restrictions. These businesses, where they have an RB of over £51,000 were ineligible for the retail, leisure and hospitality grant. Redditch Borough Council will consider support to these businesses and they will be referred to as priority three businesses.
10. Redditch Borough Council's scheme will open for applications from XXX and will close for applications on XXX, (*TBC once software in place*) the application period.
11. At the end of the application period all claims for grant will be assessed. Awards of relief will be made first to businesses in the priority one group, and then if sufficient funding remains the priority two group. When all claims from the first two groups have been determined businesses in the priority three group will be awarded grants. If any monies are available grants for other businesses will then be considered.
12. Where insufficient funds are available to provide support to all businesses within a priority group, or when all priority groups have been awarded and awards are considered for other businesses then grants will be made based on an assessment of:
 - a. The loss in income the business has suffered due to the Coronavirus outbreak;
 - b. The level of property related costs that the business has; and
 - c. The importance of that business to the Redditch Borough.

Who will be eligible for grants?

13. To qualify for a grant all applicants must meet criteria set by Government these criteria are
 - a. The business must have been trading on 11th March 2020
 - b. The business must not have received support from
 - i. The fisheries response fund;
 - ii. Domestic Seafood Supply Scheme
 - iii. The Zoos support fund
 - iv. The Dairy Hardship Fund
 - c. The business must not be eligible for support, or have received support from either
 - i. The Small Business Grant Fund
 - ii. The Retail, Leisure and Hospitality Grant Fund

- d. The business must be able to demonstrate that they have suffered a significant fall in income due to the Covid-19 pandemic.
- e. The business must not be in administration, insolvent, or have had a striking off notice made.

14. For the purposes of Redditch Borough Council's scheme priority one, two and three businesses must be classified as small or micro businesses.

- a. Small Businesses must satisfy two or more of the following criteria
 - i. Turnover: Not more than £10.2 million
 - ii. Balance Sheet Total: Not more than £5.1 million
 - iii. Number of employees: a headcount of staff less than 50
- b. Micro businesses must be able to satisfy two or more of the following criteria
 - i. Turnover: Not more than £632,000
 - ii. Balance Sheet Total: Not more than £316,000
 - iii. Number of employees: a headcount of staff less than 10

15. Priority One Groups

Priority one businesses are defined as

Serviced and Shared Offices

- a) A businesses or individuals in occupation of a part of a hereditament for which a separate entry is not shown within the local non-domestic rating list; and
- b) The business must demonstrate that they have fixed property costs – in form of rent or license payments - in relation to the part of the property which they occupy.

Charities

- a) Charities or trustees for a charity in occupation of a hereditament with a rateable value of less than £15,000 where
 - a. The Non-Domestic Rates liability is calculated under Section 43(4) of the Local Government Finance Act 1988
 - b. The charity occupies one hereditament in England, or one hereditament and others that would be disregarded under paragraph 7 or 8 of the Non-Domestic Rating (Reliefs, Thresholds and Amendment) (England) Order 2017 if those regulations applied.
 - c. The hereditament is not eligible for support under the retail, leisure and hospitality grant fund.

Bed and Breakfast accommodation

Business or individuals in occupation of a property used for the provision of bed and breakfast accommodation where this is provided to fewer than 7 people at any one time, and where the owner of the premises is resident within the property and provides both food and accommodation.

Markets and Market Traders

Businesses or individuals in occupation of a market stall, kiosk or pitch, situated within the Redditch Borough, which does not have a separate entry in the rating list and for which they have a fixed recurring license fee, rental payment or other associated property costs.

16. Priority Two Groups

Events and Exhibitions Sector

Businesses or individuals in occupation of a hereditament:

- a. With a rateable value of less than £51,000; and
- b. Which are used wholly or mainly for the planning, management, or organisation of concerts, exhibitions or public events.

Travel and Leisure Businesses

Businesses or individuals in occupation of a hereditament:

- a. With a rateable value of less than £51,000 used wholly or mainly for;
 - i. the distance selling of travel, leisure and holiday packages; or
 - ii. for the organisation, management or delivery of travel excursions, leisure breaks and vacation services

17. Priority Three Groups

Pubs, Gyms and Children's Activity Centres

Businesses or individuals eligible for expanded retail discount from 1st April 2020 and in occupation of a hereditament with a rateable value between £51,000 and £100,000 used wholly or mainly as a public house, gym or children's activity centre.

Retail, Leisure and Hospitality Supply Chain Businesses

Businesses or individuals in occupation of a hereditament:

- a. With a rateable value of less than £51,000; and
- b. Which is used wholly or mainly for the wholesale provision of goods to businesses within the retail, hospitality or leisure sector

What Grants will each business receive?

It is proposed that the council's £1,013,500 allocation is targeted as set out in the tabulation below

Type of Business	Grant amount per business (£)
Priority One	
Shared Offices	5,000
Charities	10,000
Bed and Breakfasts	5,000
Market Traders	5,000
Priority Two	
Events and Exhibitions Travel and Leisure	
a. RV below 15,001	10,000
b. RV between £15,001 and £50,099	25,000
Priority Three	
Pubs, Gyms and Children's activity Centres	25,000
Retail, Hospitality and Leisure Supply Chain	
a. RV below 15,001	10,000
b. RV between £15,001 and £50,099	25,000

Appendix A – Summary of Discretionary Scheme

	Priority Group One	Priority Group Two	Priority Group Three
Per Business Grant	£5,000 £10,000 for charities	£10,000 or £25,000	£10,000 £25,000
Eligibility Criteria	<p>To be eligible for the scheme business must have been:</p> <ul style="list-style-type: none"> i) Trading on 11th March 2020 ii) Not have received support from iii) Not be eligible or have received support from either iv) The business must be able to demonstrate a significant fall in income due to the Covid-19 pandemic <p>The business must be classified as a small or micro business</p>		
Businesses within classification	<p>Shared Offices</p> <p>Market Traders</p> <p>Bed and Breakfasts</p> <p>Charities ineligible for small business rates relief</p>	<p>Events and Exhibitions businesses occupying business premises with an RV of below £51,000</p> <p>Travel and Leisure occupying businesses premises with RV of below £51,000</p>	<p>Pubs, Gyms and Children’s Activity Centres</p> <p>Retail, Leisure and Hospitality Supply Chain Businesses</p>
Exclusions	<p>Only one grant may be awarded per property.</p> <p>Grants may not be awarded to a billing authority, or precepting authority.</p> <p>Grants may not be awarded for car parks and parking spaces, or in respect of hereditaments used for personal use.</p>		
State Aid	<p>State aid applies grants of up to £10,000 can be paid as De Minimis aid €200,000 limit over 3 years (or under the Temporary Framework where De Minimis threshold exceeded).</p> <p>Payments up to and including £25,000 can be paid under the UK Covid 19 Temporary Framework for UK Authorities subject to:</p> <ul style="list-style-type: none"> a) €800,000 limit; and b) recipient confirming they were not an undertaking in difficulty (within the definition of Article 2(18) of the General Block Exemption Regulation) on 31 December 2019 		