

POLICY COMMITTEE

(Online Only)

2pm on Tuesday 16th June 2020

Committee Members: The Chairman (Councillor Foster) and Councillors Barrett, Brockbank, Heseltine, Ireton, Lis, Madeley, Morrell, Mulligan, Myers, Noland, Place, Rose, Welch and Wheeler.

Substitutes : Conservatives – Councillors Handley, Metcalfe and Moorby; Independents – Councillors Pighills, Shuttleworth and Solloway; Labour – Councillor Mercer; Green: Brown.

AGENDA

Please note that due to Covid-19, this meeting will be held remotely and will be livestreamed here <https://www.youtube.com/channel/UCdfb6ZRbYnZ1-rRilLmjUwg>

1. **Apologies for absence and substitutes** – To receive any apologies for absence and notification of substitutes.
2. **Confirmation of Minutes** – To confirm the minutes of the meeting held on 3 March 2020
3. **Public Participation** – In the event that any questions/statements are received or members of the public attend, the public participation session will proceed for a period of up to fifteen minutes.
4. **Declarations of Interest** – All Members are invited to declare at this point any interests they have in items appearing on this agenda, including the nature of those interests.

(Note: Declarations should be in the form of: a “**disclosable pecuniary interest**” under Appendix A to the Council’s Code of Conduct, or “**other interests**” under Appendix B or under Paragraph 15 where a matter arises at the meeting which relates to a financial interest of a friend, relative or close associate.

A Member of Council who has a disclosable pecuniary interest must leave the room and not take part in the discussion or vote. When declaring interests under Appendix B or Paragraph 15 of the Code, Members must move to the public seating area, not vote, and speak only if members of the public are also allowed to speak at the meeting.)

5. **Discretionary Business Grant Scheme** – Report of the Chief Finance Officer. Attached.

Purpose of Report – As part of the measures the government has introduced to support businesses in response to Covid-19, it has recently issued funding and guidance to councils to introduce a local discretionary business grant scheme. This report sets out the council's proposed scheme for members to consider and approve.

6. **Items for Confirmation** – The Committee is asked to indicate whether any of the above items should be referred to Council for confirmation.
7. **Any other items** which the Chairman decides are urgent in accordance with Section 100B(4) of the Local Government Act 1972.

Agenda Contact Officer: Vicky Davies

Telephone: (01756) 706486

E-mail: committees@cravendc.gov.uk

8 June 2020

If you would like this agenda or any of the reports listed in a way which is better for you, please telephone (01756) 706494.

POLICY COMMITTEE

3 March 2020

Present – The Chairman (Foster) and Councillors Barrett, Handley (substitute for Brockbank), Ireton, Lis, Madeley, Morrell, Myers, Noland, Place, Rose, Shuttleworth (substitute for Heseltine), Welch and Wheeler.

Officers – Chief Executive, Director of Services, Chief Finance Officer (S151 Officer), Solicitor to the Council and Monitoring Officer and Senior Democratic Services Officer.

Apologies for absence were received from Councillors Brockbank, Heseltine, Madeley and Mulligan.

Start: 6.30pm

Finish: 8.18pm

Councillor Myers arrived at 6.33pm.

The minutes of the Policy Committee meeting held on 4th February 2020 were confirmed as a correct record and signed by the Chairman.

Minutes for Report

POL.1053 **REVENUE BUDGET MONITORING REPORT – QUARTER 3**
2019/2020

The Chief Finance Officer (S151 Officer) submitted a report advising Members of the revenue budget position of the Council, based on the quarter three review of income and expenditure to the end of December 2019.

The Council had a revised net revenue budget of £6,788,786 and based on the December budget monitoring exercise was a forecasted underspend of £116k for the financial year. However, the volatility of the Council's income streams could reduce the surplus to a deficit. The Chief Finance Officer's report highlighted the various departmental over/underspends against budget.

The Council had a general fund unallocated balance of £995k at 1 April 2019 and it was expected to remain at that figure during 2019/20. It was the Council's policy to maintain a prudent level to mitigate against the risk of unplanned movements from budgeted net expenditure levels and to cover for day to day cash flow variances.

Resolved – (1) That, the revenue budget position as at 31st December 2019 is noted.

(2) That, the latest position of the savings achieved this quarter and identified as green in Appendix B to the report now submitted, is noted and that these savings are transferred to an earmarked reserve for support to the 2020/21 budget and beyond.

(3) That, the draw on the planning reserve of £75,000 to contribute to the spend on agency staff within the service is noted.

(4) That, a sum of £10k will set aside from the in-year budget contingency to fund projects in support of the devolution agenda is noted. Further reports to Policy Committee are to be made as the agenda develops.

POL.1054 **QUARTER THREE CAPITAL PROGRAMME MONITORING**
REPORT – 2019/2020

The Chief Finance Officer (S151 Officer) submitted a report informing members of the Council's capital programme position, based on the quarter three review of income and expenditure to the end of December 2019.

Since the 2019/20 capital programme was agreed, supplementary estimates had been approved totalling £143k including £189k for the boundary signs project, and £125k awarded to the DNAire project, although £75k of that amount would be utilised in the 20/21 programme. In addition, a supplementary estimate of £2,920k had been requested for joint venture development projects.

The Chief Finance Officer's report emphasised the capital resources that were available for each project and reflected future receipts and programme costs.

Resolved – (1) That, the capital budget position of the 2019/20 capital programme as at the 31st December 2019 is noted.

(2) That, the 2019/20 capital programme and the proposed funding is noted.

POL.1055 **PERFORMANCE MONITORING REPORT – QUARTER 3 –
2019/20**

The Chief Finance Officer (S151 officer) submitted a report presenting the Council's performance monitoring for quarter three 2019/20 in accordance with arrangements set out in the Council's Performance Management Framework.

Monitoring against the Council Plan showed that good progress had been made in the implementation of Council Plan actions. Twelve had been assessed as on target by those completing the updates. In relation to the eleven, Council Plan indicators, seven had targets and, of those three were failing to achieve their target and these related to the delivery of affordable homes, the number of businesses assisted to improve their performance and the Council's income and savings plan.

Resolved – That, the progress and outcomes achieved, are noted.

POL.1056 **LEEDS CREDIT UNION PARTNERSHIP ARRANGEMENT –
PROJECT UPDATE**

The Director of Services submitted a report updating members on the progress of the Craven District Council and Leeds Credit Union partnership arrangement.

In October 2019, Policy Committee requested an update report in twelve months' time, particularly highlighting the number of accounts and loans opened/closed. The position in year five of the project at January 2020 (2019/20) was that there had been an 80% reduction in the average number of new members when compared with the period 2015/2018 and an 86% reduction in the average number of loans over the same period. For the first three years of the project a part-time development worker had been in post and the report indicated that not having a dedicated worker or resources during 2018/19 to date, the take up of new members/ accounts had been affected.

Whilst there had been a reduction in the numbers joining the credit union, it remained as a valuable resource for Craven residents who were not able to access high street banking facilities.

Resolved – That, the report is noted.

POL.1057 **DEVOLUTION**

The Chief Executive submitted a report updating Members on recent development with regard to devolution. The single offer currently on the table from Government is a devolution deal based on the geography of North Yorkshire and York. This would result in the formation of a Mayoral Combined Authority. Government had made it clear that this would be the only deal to be offered and if councils

did not wish to pursue this then North Yorkshire, York and the Districts would go to the back of the queue and be told the type of deal they would receive when the devolution White Paper was brought into legislation. This was unlikely to be before 2023/24.

The formation of a Combined Authority would have to have the agreement of all the constituent councils and, if any council did not support the proposition, then the formation of the Combined Authority would, in effect be vetoed.

A briefing had been arranged for all Members at which the 'asks' that had been developed to date would be presented. The draft ambitions for York and North Yorkshire included:

- Britain's most desirable location
- England's first carbon negative region
- Space and ambition to grow
- A world leading agri-food and bio-renewable cluster
- Digitally transformed businesses.

Any decision on the 'asks' and whether Craven should or should not join the proposed Combined Authority would be taken by Full Council.

Resolved – (1) That, the report is noted.

(2) That, it is noted that a briefing session has been arranged for all Members on the 'asks' which are likely to be made of Government, on March 12th at 6.30pm in Belle Vue Square.

(3) That, the decision on the 'asks' and whether Craven should join any proposed Combined Authority, would be that of Full Council.

POL.1058

REPRESENTATIVES ON OUTSIDE BODIES

The Solicitor to the Council (Monitoring Officer) submitted a report asking Members to appoint a second Member to represent the Council on the Strategic Partnering Board of the Joint Venture Company, Craven Barnfield Regeneration Limited.

The Council had been represented on the Board by two officers and one Member. One of the officers, the Strategic Manager for Planning and Regeneration had recently resigned from the Board and it was proposed that the vacancy was filled by a second suitably qualified Member.

Due to the size of the Council, it had become increasingly difficult to nominate an officer with the appropriate strategic expertise and whose role at the Council did not create an unacceptable conflict of interest. It was also considered that appointing a second Member to the Board would enhance political accountability.

Resolved – That, Councillor Staveley is appointed as a second Member to the Strategic Partnering Board of Craven Barnfield Regeneration Limited.

Minutes for Decision

POL.1059

MINIMUM REVENUE PROVISION (MRP) POLICY AMENDMENT 2019/20

The Chief Finance Officer (S151 Officer) submitted a report highlighting the outcome of a review of the current policy for minimum revenue provision (MRP) and presented a revised statement for 2019/20 for approval. Regulation required an annual charge in respect of outstanding capital debt liability, to be made. Local authorities were required to calculate a level of minimum revenue provision they considered to be prudent and a review had been undertaken by the Council's treasury

management advisers. As well as an independent assessment of the Council's capital financing requirement and MRP charged, the review suggested alternative options for the provision of MRP.

A revised MRP Policy Statement reflecting the outcome from the review was attached to the Chief Finance Officer's report and the recommended changes would support financial resilience in the medium term and in the longer term ensure that provision for debt was made in a sustainable way.

RECOMMENDED – That, the updated Minimum Revenue Provision Policy Statement for 2019/20 onwards is approved.

POL.1060

CRAVEN HOUSING RENEWAL POLICY 2020-2023

The Director of Services submitted a report seeking approval for the Craven Housing Renewal Policy 2020-2023. The 2017/20 policy updated the range of direct financial assistance offered using the powers available within the Regulatory Reform Act in order to increase the Council's capacity to assist households through the provision of discretionary grants.

In consultation with North Yorkshire County Council, the changes were welcomed and resulted in speeding up the process and enabling wider access to financial assistance. The 2020/23 builds upon those improvements to achieve the following aims to:

- improve housing conditions across the District; and
- help people manage their own health and wellbeing and live independently in their communities for as long as possible.

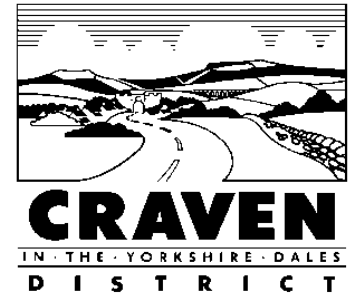
The above aims would be achieved by providing assistance through a combination of education and encouragement, direct and indirect financial assistance and taking enforcement action when it was appropriate to do so.

RECOMMENDED – (1) That, the Craven Housing Renewal Policy 2020-2023 is approved.

(2) That, delegated authority is given to the Director of Services, in consultation with the Lead Member, to make minor amendments and/or adjustments to the Craven Housing Renewal Policy to meet current or future requirements and in order to facilitate responses to revised priorities and/or funding opportunities.

(3) That, authority is given to place a notice in the local press stating the policy is in force in accordance with the conditions of the Regulatory Reform Order 2002.

Chairman

Policy Committee – 16th June 2020**Discretionary Business Grant Scheme****Report of the Chief Finance Officer****Lead Member – Financial Resilience, Councillor
Patrick Mulligan****Ward(s) affected: All****1. Purpose of Report**

1.1 As part of the measures the government has introduced to support businesses in response to Covid-19, it has recently issued funding and guidance to councils to introduce a local discretionary business grant scheme. This report sets out the council's proposed scheme for members to consider and approve.

2. Recommendations – Members are recommended to:

- 2.1 Approve the Craven District Council Discretionary Grant Scheme as attached.
- 2.2 To delegate authority to the Chief Finance Officer, having consulted with the Lead Member for Finance and Leader of the Council, to make further amendments to the Scheme, if required.

3. Report

- 3.1 In response to the Covid-19 pandemic, the government has introduced a range of measures to support business. Some of these support packages have been delivered via local government, namely rate relief and grants for certain businesses. The first batch of support was aimed at small and rural businesses and businesses in the retail, leisure and hospitality sectors. This has resulted in the council granting additional rate reliefs worth approximately £9m compared to levels when the council's budget was set in February and paid 1,936 business grants totalling £22.64m. The council has now paid around 95% of the grants that were deemed to be eligible under the initial grant scheme.
- 3.2 On 1st May 2020, the Secretary of State for Business, Energy & Industrial Strategy (BEIS) announced the circumstances whereby a grant payment may be made by councils to a business that had not previously qualified for a direct business grant and is suffering a fall in income due to the Covid-19 pandemic. More detailed guidance was provided to councils during May but it was not finalised to the level of detail required until 27th May, when detailed technical points were addressed in a set of questions and answers issued by BEIS.
- 3.3 The grant allocation is a fixed amount determined by government. On 22nd May, the council was informed that its allocation would be £1.215m.

- 3.4 In contrast to the initial business grant support scheme, which essentially determined eligibility through the business rates system, the enclosed scheme has a wider scope, more variables and allows elements of local discretion to be applied. The government guidance, rightly, requires that a local scheme is established to determine how each council will deliver the grant support. The guidance also makes clear the mandatory requirements before a discretionary grant can be paid, the general intentions of the scheme (noting characteristics of the businesses the government intends the scheme to support) and highlighting examples of the types of business that should be prioritised. It also sets out that councils have discretion to support businesses beyond the categories defined by BEIS, as long as the mandatory criteria are met. As such, the enclosed scheme for Craven District Council is attached.
- 3.5 Given that the grant funding allocation from government is fixed but that the range of potential applicants is not known with certainty - and in order to try to provide the support to those eligible as quickly as possible, a fixed two-week application process was opened on 4th June 2020 via the council's website. The application process follows the scheme requirements and requires applicants to submit some evidence to support applications. A balance has been struck between requesting sufficient information to validate an application, setting a process that allows the fixed funding from government to be allocated appropriately and making the payments as swiftly as possible.
- 3.6 The scheme sets out the proposed levels of award (Ref. Section 9.2 of the scheme) and this is summarised below. Government guidance has determined that there shall be a cap on grants of £25k per business and that the next level of grant shall be £10k or amounts up to £10k. The council's proposed scheme notes the following as a guide to what may be paid:
- £25k only in exceptional circumstances where the business has high property costs and the failure of the business would have significant impact on the local economy
 - Up to £10k where small businesses (as defined in the scheme) meet the mandatory eligibility criteria
 - Up to £5k where micro businesses (as defined in the scheme) meet the mandatory eligibility criteria
 - Up to £2k where regular market traders (as defined in the scheme) meet the mandatory eligibility criteria
- 3.7 The scheme also notes that these values may change when the application process has closed and that further application rounds may be opened up if there is sufficient funding remaining (Ref. 10.2e)
- 3.8 Section 14 of the scheme notes the procedure for decisions to be reviewed and the process for complaints to be made if necessary and is in line with guidance issued by the Local Government and Social Care Ombudsman.
- 3.9 All applications will be validated against the criteria and only paid if the supporting information provided is acceptable. Some applicants may be

requested to provide additional information if the initial claim is deemed incomplete or in response to queries raised in validating the application.

3.10 Applicants are required to self-declare in respect of any State Aid implications and to declare they have understood the warnings in respect of deliberate manipulation of scheme and fraud. It is anticipated that, in line with the initial business grant scheme, as well as the validation checks performed before payment, there will be a number of post payment checks – matching data from various sources in order to identify potential fraudulent or incorrect payments. The council's internal audit function (provided by Harrogate BC) and supported by the government Grants Management Function and Counter Fraud Function are undertaking this work on behalf of the council.

3.11 The council will be required to report progress to BEIS on a weekly basis.

4. Financial and Value for Money Implications

4.1 The council has an allocation of £1.215m to allocate and is hoping to support as many businesses as possible.

5. Legal Implications

5.1 Section 1 of the Localism Act 2011 enables the Council to make these payments.

6. Contribution to Council Priorities

6.1 The scheme will help to support the local economy, community and financial resilience.

7. Risk Management

7.1 The scheme aims to define the parameters within which the council will pay grants, in line with the BEIS guidance. There will undoubtedly be queries and appeals from unsuccessful applicants or applicants unsatisfied with the amount paid and these will have to be dealt with carefully within the processes outlined within the scheme.

8. Equality Impact Analysis

8.1 The Council's Equality Impact Assessment Procedure **has been** followed. Initial screening of the scheme suggests the scheme will not negatively impact or discriminate against different groups in the community.

9. Consultations with Others

9.1 The draft scheme has been circulated in advance to political group leaders and is published in draft on the council's website in order to assist applicants.

10. Background Documents

10.1 BEIS Grant Funding Schemes – Local Authority Discretionary Grants Fund – guidance for local authorities.

11. Appendices

- Appendix 1 Craven Council Discretionary Business Grant Scheme 2020/21

12. Author of the Report

Name Richard Weigh, Chief Finance Officer

Telephone:

E-mail: rweigh@cravenc.gov.uk

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.



Craven District Council Discretionary Business Grant Scheme 2020/21

Version Control

Version	Version date	Revised by	Description
1	May 2020	DA	Scheme
2	June 2020	DA	Amendments RW
3	June 2020	DA	Amendments RW/DD
4	June 2020	DA	Amendments RW/DD

Contents

1.0	Purpose of the scheme	4
2.0	Funding	4
3.0	General principles and mandatory eligibility criteria of the fund	4
	Mandatory Eligibility Criteria	5
4.0	Definitions	5
5.0	National Priority Businesses	7
6.0	Definitions - National Priority Businesses.....	7
	Small businesses in shared offices or other flexible workspaces which do not have their own business rates assessment.....	7
	Regular market traders who do not have their own business rates assessment	8
	Bed and Breakfast premises which pay Council Tax instead of business rates	8
	Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief	9
7.0	Local Fund Priorities	9
8.0	How will grants be provided to businesses?	10
9.0	How much grant will be payable.....	10
10.0	Limitation of funds and applications.....	11
11.0	EU State Aid requirements	11
12.0	Scheme of delegation	11
13.0	Notification of decisions	12
14.0	Reviews of decisions and complaints.....	12
15.0	Other scheme conditions	12
16.0	Managing the risk of fraud	12

1.0 Purpose of the scheme

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council's Discretionary Business Grants Scheme.
- 1.2 The new Discretionary Business Grant Scheme has been developed in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 1st May 2020 which sets out circumstances whereby a grant payment **may** be made by the Council to a business who has not previously qualified for a direct business grant and is suffering a significant fall in income due to the COVID-19 crisis.
- 1.3 Whilst the awarding of grants will be at the total discretion of the Council, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria which **must** be met by each business making an application for a discretionary grant. The Department has also indicated the types of business which should be given priority.
- 1.4 This document sets out the criteria which BEIS have provided to the Council to determine eligibility for the Discretionary Business Grant. It also outlines the approach the Council will take in determining whether an award should be paid or not.

2.0 Funding

- 2.1 Government has provided the Council with a sum of approximately £1.2m, which represents 5% of the projected allocation for the Direct Business Grants. The funding level is finite and therefore the Council, although keen to ensure that grants are given to the maximum number of businesses, is conscious that its expenditure cannot exceed that amount.
- 2.2 The Council will limit the total awards to the level of funding available from Government.

3.0 General principles and mandatory eligibility criteria of the fund

- 3.1 Government, whilst wanting Councils to exercise their local knowledge and discretion, have set national priorities and mandatory criteria for the funds. The Council, in line with guidance will only consider businesses for Discretionary Business Grant where the mandatory criteria are met.
- 3.2 Any business failing to meet the mandatory criteria or failing to provide the Council with sufficient information to determine whether they meet the criteria, will not be awarded a Discretionary Business Grant.
- 3.3 Government has stated that the intention of the scheme is to provide assistance to businesses that meet the following criteria:

- Small and micro businesses, as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006;
- Businesses with relatively high ongoing fixed property-related costs;
- Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis;
- Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.

Mandatory Eligibility Criteria

- 3.4 Only businesses which were trading on 11 March 2020 are eligible for this scheme.
- 3.5 Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
- 3.6 In addition, businesses which are **eligible** for any of the following are **ineligible for any Discretionary Business Grant**:
- 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.

4.0 Definitions

- 4.1 For the sake of clarity the following definitions are provided in respect of paragraphs 3.3, 3.4, 3.5 and 3.6:
- **Small Businesses under the Companies Act 2006** must meet two of the following requirements in a year:
 - Turnover must not be more than £10.2 million per annum;
 - The Balance sheet total should not be more than £5.1 million; and
 - The number of employees should be less than 50.
 - **Micro Businesses under the Companies Act 2006** must meet two of the following requirements in a year:
 - Turnover must not be more than £632,000 per annum
 - The Balance sheet total should not be more than £316,000; and
 - The number of employees should be less than 10.
 - **Businesses must have relatively high ongoing fixed property-related costs** – for the purpose of this scheme, the Council determines fixed property-related costs to be;

- Payments of mortgage, lease, rent or licence for business premises;
- The payments must represent a high proportion of expenses in relation to the overall income of the business; and
- The payments are unavoidable and are ongoing.

The Council has determined that each business will have to provide evidence of high on-going fixed property- related costs. The Council may require the business to provide evidence of liabilities including mortgage, lease, tenancy, service charges or licence documentation.

- **Businesses must demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis** – the Council has determined that businesses certify that there has been a significant fall in income for the period April and May 2020 compared with the same months in 2019.
The Council must be sure that the fall in income is due to the COVID-19 crisis and not a general failure of business. Where necessary businesses may need to provide evidence to the Council to support their application;
- **Businesses must be trading on 11th March 2020** – the Council may require proof that the business was trading on 11th March 2020 and was not dormant, subject to a winding up order, in administration or subject to striking off;
- **Eligible to a grant under the Small Business Grant Scheme or the Retail Hospitality or Leisure Scheme¹** – where the business is either eligible to receive or has received a grant under either of the two schemes administered by the Council, no Discretionary Business Grant shall be awarded;
- **Eligible to assistance under the Fisheries Response Fund** – as administered by the Marine Management Organisation (MMO) and funded by HM Treasury and the Department for Environment, Food and Rural Affairs. Where the business or person is eligible to assistance under this fund, no Discretionary Business Grant shall be awarded;
- **Eligible to assistance under the Domestic Seafood Supply Scheme (DSSS)** as administered by the Marine Management Organisation (MMO) and funded by HM Treasury and the Maritime and Fisheries Fund. Where the business or person is eligible to assistance under this fund, no Discretionary Business Grant shall be awarded;
- **Eligible to assistance under the Zoos Support Fund** as administered by the Department for Environment, Food and Rural Affairs. Where the business or person is eligible to assistance under this fund, no Discretionary Business Grant shall be awarded;

¹ **Eligibility Criteria for either the Small Business Grant or Retail Hospitality and Leisure Grant** as determined by the Department for Business, Energy & Industrial Strategy and administered by the Council;

- **Eligible to assistance under the Dairy Hardship Fund** as administered by the Department for Environment, Food and Rural Affairs. Where the business or person is eligible to assistance under this fund, no Discretionary Business Grant shall be awarded;
- **Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000** – The Council has decided that this shall be a key determinant of priority under the scheme and, as such, where businesses have rateable values of £51,000 or more or make payments of mortgage, lease, rent or licence of £51,000 or more per annum, no Discretionary Business Grant shall be awarded. For the avoidance of doubt, the Council has decided that in calculating the figure of £51,000, **all** buildings occupied by the business (or the responsibility of the business) shall be taken into account.

5.0 National Priority Businesses

5.1 Government are asking Councils to prioritise the following types of businesses for grants from within this discretionary fund:

- (a) **Small businesses in shared offices or other flexible workspaces** e.g. industrial parks, science parks, incubators etc., which do not have their own business rates assessment;
- (b) **Regular market traders who do not have their own business rates assessment;**
- (c) **Bed and Breakfast premises which pay Council Tax instead of business rates;** and
- (d) **Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.**

5.2 The list set out above is not intended to be exhaustive, but it is intended to guide Councils as to the types of uses that the Government considers should be a priority for the scheme. The Council will decide whether particular situations not listed are broadly similar in nature to those above and, if so, whether they may be eligible for grants from this discretionary fund.

6.0 Definitions - National Priority Businesses

6.1 In line with Government's priorities for the fund, the following definitions have been used to determine whether any particular business should be treated as a priority for the funding:

Small businesses in shared offices or other flexible workspaces which do not have their own business rates assessment

6.2 These are defined by the Council as businesses which 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) and who, on the 11th March 2020 were trading and shared the premises with other businesses.

- 6.3 Primarily, these businesses will not be assessed individually for Non-Domestic Rating on the basis that the landlord has paramount occupation of the premises.

Regular market traders who do not have their own business rates assessment

- 6.4 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).
- 6.5 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".
- 6.6 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.
- 6.7 For the purposes of this scheme, 'regular' is defined as at least once per week. Where the market trader traded less frequently, the Council will not consider the business as priority for a grant.
- 6.8 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 Breakfast premises which pay Council Tax instead of business rates

- 6.9 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.
- 6.10 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.
- 6.11 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.
- 6.12 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.
- 6.13 It is expected that Bed and Breakfast premises will be registered with the Council's Environmental Health Service and evidence may be sought of this
- 6.14 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.

Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief

- 6.15 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.
- 6.16 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).
- 6.17 The Council has decided that any charitable business receiving other help from public funds (i.e. from Government, Local Authorities etc.) shall not be priority for a Discretionary Business Grant.

7.0 Local Fund Priorities

- 7.1 In addition to the national fund priorities, the Council will accept applications from all local businesses meeting the mandatory eligibility criteria but that do not meet the national priority business criteria as defined in sections 5 and 6. As funding is limited, the council will prioritise financial support to local businesses in line with the national criteria but will consider applications where the failure of the business would have a significant impact on the local economy. This could include the impact on employment, business supply chains and the potential for business growth and development

8.0 How will grants be provided to businesses?

- 8.1 The Council is fully aware of the importance of grants to assist businesses and support the local community and economy. The Discretionary Business Grant scheme will offer a lifeline to businesses who are struggling to survive due to the COVID-19 crisis.
- 8.2 In all cases, a simple application form **is** required, and this can be completed on-line at the Council's website;
<https://www.cravenc.gov.uk/business/business-rates/business-rates-government-grants/>
Some information is required in support of the application and supplementary information may also be required. All businesses should look to provide this, where requested to the Council as soon as possible.
- 8.3 An application for a Discretionary Business Grant is deemed to have been made when a duly completed application form is received via the Council's online procedure.

9.0 How much grant will be payable

- 9.1 Government has determined that there shall be a 'cap' on grants of £25,000 per business and that the next level of grant shall be £10,000. However, the Council under Government guidance, has the following discretion:
- (a) Whether to award grants at the £25,000 or £10,000 level; and
 - (b) To determine whether grants of less than £10,000 should be awarded.
- 9.2 The Council intends to support as many businesses as possible. Grant allocations will be determined following the application process. As a guide, grants might be expected to be made as follows:
- £25k – only in exceptional circumstances where the business has high property costs and the failure of the business would have significant impact on the residents of the district and the local economy
 - Up to £10k where Small Businesses (as defined within this document) meet the mandatory eligibility criteria in sections 3 and 4;
 - Up to £5k where Micro Businesses (as defined within this document) meet the mandatory eligibility criteria in sections 3 and 4; and
 - Up to £2k where Regular Market Traders (as defined within this document) meet the mandatory eligibility criteria in sections 3 and 4.
- 9.3 Only one Discretionary Business Grant will be awarded to any business. This will also apply if more than one Limited Company has the same director (s) or where more than one business has the same proprietor (either sole traders or partnerships).

10.0 Limitation of funds and applications

- 10.1 All monies paid through the Discretionary Business Grant scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003. However, as mentioned in paragraph 2, the funds are limited and, as such, the Council is not able to award a grant where funds are no longer available.
- 10.2 In order to fairly administer the scheme, the Council has decided that awards will be determined as follows:
- (a) There will be a two-week period during which applications can be made. This will be between 4th June 2020 to 17th June 2020;
 - (b) Any businesses wishing to claim should complete the necessary form on the Council's website as shown in paragraph 8.2. This will also include the provision of such evidence as required by the Council;
 - (c) All claims will be made online;
 - (d) Once the application period is closed, all awards will be considered against the criteria laid down within this scheme, as soon as practicable;
 - (e) Depending on the number of applications and the amount left in the grant fund, the Council reserves the right to provide other application periods if appropriate or amend the range of values noted in section 9.2.

11.0 EU State Aid requirements

- 11.1 Any Discretionary Business Grant is given as aid under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020. This means that businesses receiving support under these provisions can receive up to €800,000 in aid over three years (being the current and the previous two years).
- 11.2 Any grant awarded is required to comply with the EU law on State Aid. This will involve the applicant declaring to the Council if they have received any other de minimis State aid or aid provided under the EU Commission Covid-19 Temporary Framework.
- 11.3 If the applicant has not received any other de minimis State aid, they are not required to make that declaration to the Council or to complete any declaration statement.

12.0 Scheme of delegation

- 12.1 The CEO, under delegated powers as opened the application process for this scheme as set out in paragraph 10.2. The Council's Policy committee will formally approve this scheme in June 2020 and delegate power to the Chief Finance Officer, in consultation with the Leader and Lead Member for Finance, to make minor amendments to it, if necessary.

13.0 Notification of decisions

- 13.1 Applications will be considered by the Revenues and Benefits Service
- 13.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after the closure of the application period.

14.0 Reviews of decisions and complaints.

- 14.1 The Council will operate an internal review process and will accept an applicant's request for an appeal of its decision.
- 14.2 All such requests must be made in writing to the Council, within 14 days of the Council's decision, and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal.
- 14.3 The application will be reconsidered by an internal panel consisting of at least 2 officers from the Corporate Leadership Team as soon as practicable, and the applicant informed in writing or by email of the decision.
- 14.4 In the event that the applicant remains dissatisfied with the decision following the internal review, the applicant will be provided with information to enable a complaint to be made to the Local Government and Social Care Ombudsman.'

15.0 Other scheme conditions

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

16.0 Managing the risk of fraud

- 16.1 Neither the Council, nor the Government will accept deliberate manipulation of the scheme and fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them.
- 16.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.
- 16.3 The Council reserves the right to reclaim any grant paid in error.