

RYEDALE
DISTRICT
COUNCIL



Ryedale District Council
Discretionary Business Grant Scheme
Phase 3
2020/21

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1.0 Purpose of the Phase 3 Discretionary Business Grant Scheme

- 1.1 The purpose of this document is to determine eligibility for a payment under Phase 3 of the Council's Discretionary Business Grants Scheme.
- 1.2 The Discretionary Business Grant Scheme was 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 has suffered a significant fall in income due to the COVID-19 crisis.
- 1.3 The Council has decided to allow applications for grants in a number of application periods or 'phases'.
- 1.4 Within Phase 1, the Council only accepted applications from businesses that met Central Government priorities namely:
- Small businesses in shared offices or other flexible workspaces;
 - Regular market traders who do not have their own business rates assessment;
 - Bed and Breakfast premises which pay Council Tax instead of business rates; and
 - Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.
- 1.5 In addition, applications in phase 2 were limited to business which had a rateable value of more than £51k and less than £100k.
- 1.6 The Council stated that if sufficient funds remained available after the completion of Phase 1 and Phase 2, further application phases may be allowed, and other types of business would be allowed to apply for a Discretionary Business Grant subject to meeting the eligibility criteria within the scheme.
- 1.7 This scheme documents the Council's approach to Phase 3 and outlines:
- the businesses which will be allowed to apply in this phase;
 - the key criteria that have to be met;
 - the application process and period; and
 - the amount of Discretionary Business Grant available.
- 1.8 It should be noted that, for Phase 3, the Council has decided that all businesses making an application for the grant **must** meet the eligibility criteria defined within section 3 and 4 of this scheme.

2.0 Funding

- 2.1 Applications have been received by the Council in respect of Phase 1 and Phase 2 businesses and awards made to those who met the eligibility criteria. Funds are still available for the Council to utilise for other local businesses and the Council is keen to support more businesses that have been affected by the crisis.

3.0 Eligibility criteria of the fund

- 3.1 For Phase 3 the Council will **only** consider businesses for Discretionary Business Grant where **all** of the criteria are met.
- 3.2 Any business failing to meet the 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 The intention of the scheme is to provide assistance to businesses that meet the following criteria:
- Businesses who have fixed commercial property related costs or in the case of a business operating from a domestic property, relatively high ongoing business 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 up to £120,000 or, where there is no business rates assessment, the business pays annual rent / annual mortgage payments of up to £120,000; and
 - Businesses must have been trading on 11th March 2020.
- 3.4 In addition, businesses which are **eligible** for any of the following are **ineligible for any Discretionary Business Grant**:
- Previous award of 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 - Eligibility Criteria

- 4.1 For the sake of clarity the following definitions are provided in respect of the criteria set out in paragraphs 3.3 and 3.4:

- **Businesses that applied for a Discretionary Business Grant but did not meet the criteria for Phases 1 and 2.** - As this phase has new eligibility criteria and covers different time periods to previous phases, the Council will require a new application to be submitted by these businesses.

- **Businesses must have relatively high ongoing fixed commercial property related costs or, in the case of a business operating from a domestic property, relatively high ongoing business costs** - For the purpose of this phase, the Council determines fixed costs to be:
 - Payments of lease, rent or licence for business premises, or the in case of a domestic property, business insurance, IT costs or business vehicle lease;
 - 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 will require the business to provide evidence of the above costs.

- **Businesses must demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis** - the Council has determined that businesses must certify that there has been a significant fall in income for the period March to June 2020 compared with the same months in 2019.
 The Council will require businesses to submit bank statements for both periods.
 The Council must be sure that the fall in income is due to the COVID-19 crisis and not a general failure of business. Businesses may be required to provide evidence to the Council to support their application;

- **Businesses must be trading on 11th March 2020** - the Council will require proof that the business was trading on 11 March 2020.
 The business must not be 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;

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 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;
- **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 of up to £120,000 or where there is no business rates assessment and the business pays annual rent /annual mortgage payments of up to £120,000** – The Council has decided that for Phase 3 all businesses with a rateable value or annual rent / mortgage payments of up to £120,000 will be eligible to apply.
For the avoidance of doubt, the Council has decided that in calculating the figures above, **all** buildings occupied by the business (or the responsibility of the business) shall be taken into account.

5.0 Businesses who may make applications in Phase 3

- 5.1 The Council has decided that for Phase 3, applications will be accepted from **all** businesses who meet the criteria outlined in sections 3 and 4.

6.0 How will grants be provided to businesses?

- 6.1 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.
- 6.2 In all cases, an application form **is** required, and this can be completed on-line at the Council's website www.ryedale.gov.uk
Supplementary information may also be required, and all businesses should look to provide this, where requested to the Council as soon as possible.
- 6.3 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.

7.0 How much grant will be payable

- 7.1 Central 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 Central 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.
- 7.2 The Council has decided that, for Phase 3 of the scheme, it would like to maximise the number of businesses that can receive a grant and therefore will decide the level of grants once all applications have been received and will depend on the following factors:
- (a) The volume of applications received;
 - (b) The impact of the crisis on the business applying for the grant; and
 - (c) How the business contributes to the economy of the district
- 7.3 Grants will be payable as soon as it is practicable to do so after the application period has closed.
- 7.4 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).

8.0 Limitation of funds and applications

- 8.1 In order to fairly administer the scheme, the Council has decided that awards will be determined as follows:
- (a) There will be a 10-day period during which applications can be made. This will be between 10th August 2020 until midnight 19th August 2020;
 - (b) Any businesses wishing to claim should complete the necessary form on the Council's website as shown in paragraph 6.2. 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;
 - (f) If the grant fund is oversubscribed, then the Council reserves the right to allocate funds by assessing the local needs of the economy in line with the criteria in sections 3 and 4.

9.0 EU State Aid requirements

- 9.1 Any Discretionary Business Grant is given in compliance with all relevant conditions of the EU State aid De-Minimis Regulation and the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak - the approved COVID-19 Temporary Framework for UK Authorities published on 19 March 2020. This means that businesses receiving support under these provisions can receive a payment of up to and including £10,000 under the De Minimis rules, meaning applicants can receive up to €200,000 of aid within a three-year period. Payments of up to and including £25,000 (or £10,000 where the De Minimis threshold has been reached) under the COVID-19 Temporary Framework for UK Authorities can be received where the following conditions are attached - payments can be received by recipients up to the €800,000 threshold per undertaking and recipients should note the requirement that they were not an undertaking in difficulty on 31 December 2019.
- 9.2 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.

10.0 Notification of decisions

- 10.1 All decisions made by the Council shall be notified to the applicant by email. A decision shall be made as soon as practicable after the closure of the application period.

11.0 Reviews of decisions

- 11.1 The Council will operate an internal review process and will accept an applicant's request for an appeal of its decision.
- 11.2 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. Evidence and supporting information may be submitted at this stage to support the applicant's appeal.
- 11.3 The application will be reconsidered as soon as practicable and the applicant informed by email of the decision.
- 11.4 A further appeal may be made, and that decision shall be final.

12.0 Complaints

- 12.1 The Council's 'Complaints Procedure' (available on the Councils website) will be applied in the event of any complaint received about this scheme.

13.0 Other scheme conditions

- 13.1 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.

14.0 Managing the risk of fraud

- 14.1 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.
- 14.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.
- 14.3 The Council reserves the right to reclaim any grant paid in error.