

Discretionary Grant Scheme

May 2020

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1. Introduction and Purpose

In response to the COVID19 the Government introduced grant schemes to assist businesses to mitigate the loss of income during the pandemic.

These grant schemes were available to businesses who were ratepayers and in receipt of Small Business Rate Relief, Rural Rate Relief or extended Retail, Hospitality and Leisure and had a rateable value of under £51,000.

It was recognised by the Government that many businesses were excluded from these grants as they did not fall in the above categories or were not direct ratepayers (a contribution to the Business Rates is paid within their rent).

The additional grant scheme is aimed at small businesses and Charities that were not eligible for the Small Business Grant Fund or Retail, Leisure and Hospitality Grant Fund. Each council has discretion concerning the award of this fund.

This document provides guidance about the operation and delivery of the policy in Maidstone Borough, including:

- Factors that should be considered when making a decision to award or refuse relief;

- Appeals procedure for businesses dissatisfied with the Council's decision;

If you would like further advice on application of the scheme please contact the Business COVID19 team at discretionarygrant@maidstone.gov.uk

2. How the grant will be provided

Local authorities are responsible for delivering the grants to eligible businesses.

Section 1 of the Localism Act 2011 provides all local authorities with the power to make these payments.

The Government will meet associated New Burdens costs and local billing authorities will receive funding from the Government with which to make payments to eligible businesses up to a maximum of 1.4 million.

3. How much funding will be provided to businesses?

Grants can be dispersed to the value of £25,000, £10,000 or any amount under £10,000. The value of the payment to be made to a business is at the discretion of the local authority.

Grants under the Local Authority Discretionary Grants Fund are capped at £25,000.

The next level payment under the Local Authority Discretionary Grants Fund is £10,000.

Payments can be made of any amount under £10,000. With demand for the scheme expected to be high the Council expects that payments of under £10,000 will be appropriate in most cases.

The Government set some national criteria for the funds, but are allowing local authorities to determine which cases to support within those criteria.

This Council can adapt this approach to local circumstances, such as providing support for micro-businesses with fixed costs or support for businesses that are crucial for their local economies.

4. Which businesses will benefit from the grant

This Policy sets out clear criteria for determining eligibility in Maidstone borough:

- Businesses with ongoing fixed building-related costs
- Businesses which can demonstrate that they have suffered a significant fall in income due to the Covid-19 crisis
- Small Businesses as defined by the Company Act 2006
- Businesses that were trading on 11th March 2020.
- Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.

The following businesses will be prioritised for grants:

- Small businesses in shared offices or other flexible workspaces (examples could 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 and who are trading in Maidstone.
- Bed & Breakfast businesses which pay Council Tax instead of business rates
- Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

4. Properties that will NOT qualify for grant

This grant funding is for businesses that are not eligible for other support schemes. Businesses which have received cash grants from any central Government COVID19 related scheme are ineligible for funding from the Discretionary Grants Fund. Such grant schemes include but are not limited to:

- Self Employment Income Support Scheme
- 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

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

5. How much relief will be available

The Council will prioritise which types of businesses will receive funding and determine the level of award taking account of the level of income reduction due to Covid-19, the current trading position and level of fixed property related costs being incurred.

Most awards will be below or capped at £10,000.

Where the Council consider a business to be in exceptional hardship and whose activity supports important sectors of the local economy or community, awards of up to £25,000 will be considered.

6. Application process

There will be an online application process available through the Council's website, which will be widely publicised to encourage take up.

Applications will allow the Council to undertake pre-payment checks to confirm eligibility.

Applications will allow the Council to determine how to use its discretion in relation to the appropriate level of grant.

Due to the limited funds available and the lack of information about the businesses that may qualify, there will be a fixed period for application of 21 days.

The period for applications will be 18 May 2020 to 8 June 2020.

It is anticipated payments will be made week commencing 15 June 2020.

Any applications outside this period will only be considered in exceptional circumstances.

6. State Aid

It is necessary for businesses applying to confirm compliance with State Aid rules.

Although the UK left the EU on 31 January 2020, the Council must be satisfied that all State Aid requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, 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, and any relevant reporting requirements to the EU Commission.

Payments of up to and including £10,000 can be provided 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 where the De Minimis threshold has been reached) should be paid under the COVID-19 Temporary Framework for UK Authorities which is €800,000 per business.

There is a requirement for recipients to declare they were not an undertaking in difficulty on 31 December 2019.

7. Decision making and appeals

No grant will be paid without an application being made.

In the interests of efficiency, the authority to consider applications is delegated to the Head of Economic Development and Regeneration, who will ensure that a decision is notified by email as soon as is reasonably practical after the application period closes.

Any appeal against the decision to award or not award relief or against the level of relief must be made within 7 days of notification of the decision by email.

Authority to consider appeals is delegated to the Director of Finance and Business Improvement who will notify the applicant of the final decision in writing within 7 days as to whether an appeal is refused or accepted, with a full explanation of the reasons for the decision.