

LOCAL AUTHORITY DISCRETIONARY GRANT FUNDING SCHEME FOR BED & BREAKFAST BUSINESSES IN THE NEW FOREST

1. INTRODUCTION

- 1.1 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, delivered through the Small Business Grant Fund and the Retail, Leisure and Hospitality Grant Fund. The government have now provided additional funding which is aimed at supporting small businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund or unable to access other grants or income support.
- 1.2 The first tranche of New Forest Local Authority Discretionary Grant funding closed on 12 June 2020 and was available to a range of small and micro businesses located within the New Forest District with ongoing fixed property-related costs and who had a significant fall in income due to COVID-19.
- 1.3 Support for Bed & Breakfast (B&B) businesses was a key Government priority for the Local Authority Discretionary Grant fund. This extension of the New Forest Local Authority Discretionary Grant funding scheme is in order to ensure that this aspiration is met and that a wider range of New Forest B&B businesses benefit from support.
- 1.4 Section 1 of the Localism Act 2011 provides local authorities with the vires to make these payments.
- 1.5 These grants will be given on a sliding scale in line with the monthly fixed overheads of the business. We have liaised with other council's across Hampshire to agree broad principles of the scheme.

2. FINANCIAL IMPLICATIONS

- 2.1 There are no financial implications to the Council as any grant awarded is fully funded by Central Government.

3. ENVIRONMENTAL, CRIME & DISORDER IMPLICATIONS

- 3.1 There are no environmental, crime or disorder implications.

4. EQUALITY & DIVERSITY IMPLICATIONS

- 4.1 There are no equality and diversity implications.

5. RECOMMENDATION

- 5.1 That the Discretionary Grants scheme be approved.

6. PORTFOLIO HOLDER ENDORSEMENT

6.1 I have agreed to the recommendation of this report.

Sign: CLLR JEREMY HERON

Date: 13 JULY 2020

Sign: CLLR MICHAEL HARRIS

Date: 13 JULY 2020

For Further Information Please Contact:

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Background Papers

Discretionary Grant Scheme
Local Authority Discretionary
Grants Fund Guidance

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Date on which notice given of this decision – 13 July 2020



NEW FOREST DISTRICT COUNCIL

**DISCRETIONARY GRANT FUND
SCHEME -
EXTENDED SCHEME FOR BED &
BREAKFAST BUSINESSES**

Local Authority Discretionary Grant funding scheme for Bed & Breakfast Businesses in New Forest District

1.1 This Extended Local Authority Discretionary Grant funding scheme is specifically aimed at B&B businesses ONLY who meet the criteria outlined below and who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund or unable to access other grant or income support funding.

1.2 Applications from businesses that are not B&B offering serviced accommodation, will not be accepted.

1.3 Grants will be awarded based on the proportion of total fixed overhead costs in relation to the number of B&B bedrooms. Applicants will be required to provide evidence of total fixed overheads for the premises; New Forest District Council will calculate the apportionment accordingly.

2. Grant amounts

2.1 Grants to be awarded under this scheme will be on a scale depending on the fixed monthly overheads of the business*. The allocation of the grant will be as follows:

Fixed Monthly Overheads of the Business	Grant Award
£750 or below	£2,500
£751 to 1,500	£5,000
£1,501 to £2,500	£7,500
£2,501 or above	£10,000

*Fixed monthly overheads for the purpose of this grant **only** includes rent or mortgage payments, rates, electricity, gas, water, business insurance (relating directly to the insurance of the premises itself) and council tax.

3. Application period

3.1 B&B businesses must complete an online application form and submit their supporting information to apply for the grant.

3.2 The application form will be available on the Council's website. Applications will close at 5pm on Friday 31 July 2020.

3.3 Applications after 5pm 31 July 2020 will not be accepted.

4. Eligibility Criteria

4.1 B&B businesses must adhere to the following criteria to be applicable for the grant:

- Able to evidence of substantial loss of income due to COVID-19 impact (for example via comparative year-on-year bank statements).
- Able to evidence total monthly fixed property overheads for either February, March or April 2020 – businesses must highlight eligible costs clearly on submitted bank statements and provide evidence of costs i.e. bills and invoices.
*Fixed monthly overheads for the purpose of this grant **only** includes rent, electricity, gas, water, business insurance (relating directly to the insurance of the premises itself) and council tax (if applicable).
- The B&B must be registered for council tax, rather than business rates
- The B&B must provide serviced accommodation with breakfast
- The B&B must be registered with NFDC as a food hygiene business
- Be trading on 11 March 2020
- Be a small or micro business (see below)
- Not be in administration, insolvent or a striking-off notice has been made.
- Occupy a property, or part of a property situated within New Forest District Council area
- Have annual rent or annual mortgage payments below £51,000.
- Not be a precepting authority
- Not go over state aid limits (see state aid limit below)
- Only one grant per business regardless of properties
- Not be in receipt of **or eligible** for support from any central government COVID-19 related scheme; such grant schemes include but are not limited to:
 - 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

4.2 Applicants who have already received funding under the Local Authority Discretionary Grant scheme are not eligible to apply for this extended fund.

4.3 Definition of a small business:

To be a small business, under the Companies Act 2006, a business must satisfy two or more of the following requirements in a year:

- Turnover: Not more than £10.2 million
- Balance sheet total: Not more than 5.1 million
- Number of employees: a headcount of staff of less than 50

4.4 Definition of a micro-business:

To be a micro business, under the Companies Act 2006, a business must satisfy two or more of the following requirements:

- Turnover: Not more than £632,000
- Balance sheet total: Not more than £316,000
- Number of employees: a headcount of staff of not more than 10

5. Assessment of applications

5.1 Applications will be assessed by the Council as follows:

- Applications will be accepted from B&B businesses ONLY that are based within New Forest District and:
 - pay council tax rather than business rates;
 - who provide serviced accommodation with breakfast; and
 - are registered with the council as a food hygiene business.

5.2 Our priorities:

- We will prioritise B&B businesses with more employees* over those with less to reduce the unemployment effect if the business was to close.
*Directly employed by the business and does not include the business owner

6. Applications and payment

6.1 All applications will be reviewed and checked against the information provided (evidence of fixed property overheads and substantial loss in income sustained). Awards will then be given based on the priority order noted above.

6.2 All applicants will be notified of our decision to award a grant or if the application has been unsuccessful.

6.3 All payments will be made via BACS (as soon as practicable after the close date) and the business must provide bank details for payment. It is the applicant's responsibility to ensure that bank account and contact details are correct.

6.4 In order for the application to be considered for funding, businesses must complete the application in full and provide the supporting information required (as outlined in section 4 above).

6.5 Applications which are not able to evidence substantial loss of income due to COVID-19 impact and/or provide evidence of total monthly fixed property overheads; will be rejected.

7. Funding

7.1 The fund is limited therefore once the funding has been distributed there will be no additional grants paid.

8. Tax

8.1 Grant income received by a business is taxable therefore funding paid under the Local Authority Discretionary Grants Fund will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

9. State Aid

9.1 The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission. New Forest District 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.

9.2 New Forest District Council have a discretion to make payments to eligible recipients under either the De Minimis rules or the COVID-19 Temporary Framework for UK Authorities (provided all the relevant conditions are met).

9.3 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.

10. Fraud

10.1 The council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error. All applicants' information will be shared with the Government Grants Management team to enable any fraud to be identified. All businesses will confirm this by ticking the box on the application.

11. Decisions and appeals

11.1 There is no right to appeal for this grant; the Council's decision is final.

11.2 The council may use discretion to award a different grant amount to those stated above depending on the evidence of fixed premises costs provided in relation to the business, the number of grant applications received and where it considers it appropriate to enable the Council to support more businesses.

11.3 The Economic Development Manager reserves the right to make minor changes to this scheme as necessary in consultation with the Portfolio Holder for Finance, Investment and Corporate Services, and Portfolio Holder for Economic Development.