

West Suffolk COVID-19 Business Support Funding Scheme

Background

1. On 2 May 2020 the Government announced funding for local authorities to enable them to support small businesses **outside the scope of the existing business grant funds schemes**. Further detail was published on 13 May 2020 and is available at [GOV.UK – Coronavirus \(COVID-19\): business support grant funding – guidance for local authorities](https://www.gov.uk/government/guidance/business-support-grant-funding-guidance-for-local-authorities)
2. The amount of funding that the Government is giving to local authorities is modest compared to the earlier grant schemes (five per cent of the previous allocation to each council). The Government has set out the types of businesses that local authorities should support with the funding in its guidance.
3. Local authorities may also choose to make payments to other businesses not referred to in the Government guidance, based on local economic need. Initially, West Suffolk Council is prioritising those businesses who meet the Government's priority categories. In due course, should sufficient funding be available, further decisions may be taken to offer support to businesses not outlined in the Government's criteria, but who can demonstrate significant impacts from the COVID-19 pandemic.

Scheme purpose - Government guidance

4. The funding is aimed at small businesses who were not eligible for the Small Business Grant Fund or the Retail, Hospitality and Leisure Grant Fund, and that have **ongoing fixed property-related costs** (for example, rent, service charges, mortgage costs and utilities). In particular, Government is asking local authorities to support:
 - a. **businesses in shared offices or other flexible workspaces**, for example, units in industrial parks, science parks and incubators which do not have their own business rates assessment but occupy a space that was part of a larger business rates assessment on 11 March 2020
 - b. **regular market traders** with fixed costs such as rent who do not have their own business rates assessment
 - c. **bed and breakfast businesses** that pay Council Tax rather than business rates, and
 - d. **small 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. Government has also stated that the funding is also primarily and predominantly aimed at:
 - small and micro-businesses, as defined in s33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006. This means they will have a turnover of not more than £10.2 million, a balance sheet total of not more than £5.1 million and have under 50 employees. Where a business is part of a national multiple or chain, the applicant must

be able to prove that the local branch is a franchise and is not in receipt of financial support from the national business

- 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

6. Unlike with the Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund, which allocated grants automatically to certain categories of business on the business rates list, local authorities are now being asked by Government to take into account certain factors when determining the level of grant to be awarded such as:

- the level of fixed costs faced by the business in question
- the number of employees
- whether the business has had to close completely
- whether the business is able to trade online
- the scale of impact of the COVID-19 losses.

Scheme requirements

7. Local authorities may award grants of the following amounts:

- £25,000
- £10,000
- any amount up to £10,000

8. The funding is not available to businesses who are eligible for support under one of the following schemes:

- Small Business Grant Fund
- Retail, Hospitality and Leisure Grant Fund
- The Fisheries Response Fund
- Domestic Seafood Supply Scheme (DSSS)
- The Zoos Support Fund
- The Dairy hardship Fund

9. Businesses must have been trading from the premises in question on 11 March 2020. Businesses that are in administration, are insolvent, are dormant or where a striking-off notice has been made are not eligible for funding under this scheme

10. Businesses are only entitled to one grant under this scheme.

West Suffolk scheme criteria

11. Eligible businesses in West Suffolk will be permanently operating out of either:

- a. **a share of a larger business premises** which is rated for business rates purposes, where the relevant share would have a rateable value of £15,000 or less, or £51,000 if the business is in the Retail, Hospitality and Leisure sector
- b. **a market stall** on a West Suffolk market, where the market operator (the council) pays business rates

- c. (in the case of bed and breakfast premises) **a residential property that is subject to Council Tax**, and
- d. **a charity premises** which is rated for business rates purposes and has a rateable value of £15,000 or less.

12. In order to receive funding, any business must:

- **operate from a single premises or one or more spaces in a single shared premises.** It must not have multiple sites (with some exceptions, in line with the eligibility rules for Small Business Rate Relief), and
- **be able to demonstrate that they have seen a significant fall in income due to COVID-19 restriction measures.** The council will ask the business to give a signed written statement of the impact on its financial position of COVID-19, including an indication of how this financial position could be demonstrated if needed, for example, reference to order books, management accounts or bank statements. The business should include a description of what goods or services it offers and therefore what the impact of COVID-19 has been. For example, where a business has been required to close under social distancing requirements, this should be stated. The council will withdraw the funding if a falsified statement is made.

13. In addition, a grant will not normally be payable to a subsidiary company that is occupying premises where a parent company or another part of their group is liable for payment of the business rates on that premises and has been eligible for existing COVID-19 grant schemes; or a subsidiary company that is part of a group where the group exceeds the thresholds of being a small or micro-business as set out in paragraph 5 above. Discretion may be applied in exceptional circumstances and where the subsidiary is not primarily financed by the parent company.

Businesses eligible for grant support

a. Businesses in shared spaces

Multiple businesses sharing a larger rateable space that was in the business rates list on 11 March 2020

- 14. Where businesses occupy spaces within larger business units, office parks or incubation units, and where their lettable space would have the equivalent of a rateable value of less than £15,000 or £51,000 for retail, hospitality and leisure businesses, the business is eligible to a grant of **£10,000**.
- 15. These businesses will occupy discrete business units which could be considered as a separate hereditament for business rate purposes.
- 16. Evidence must be submitted alongside the application to demonstrate the business' occupation of the premises on 11 March 2020, for example, a service agreement or other documentation from the landlord.

Single businesses occupying more than one rateable space within the same premises

17. Some offices within office buildings or 'business centres' are rated separately by the Valuation Office Agency. Where a single business occupies more than one separately-valued rooms, but where the total rateable value is less than £15,000 and the business otherwise meets the criteria for the [Small Business Grant Funding Scheme](#), a grant of **£10,000** is payable.

b. Market traders

18. Permanent traders on a West Suffolk Council-run market (Brandon, Bury St Edmunds, Clare, Haverhill, Mildenhall or Newmarket), who held a current licence and were registered with the council on 11 March 2020 are eligible to grants, which will differ in size depending on how many markets they trade on (£2500 for one market, £5000 for two markets, £7500 for three markets and £10,000 for four markets). This amount of funding recognises that market traders trade on a number of markets across the region and are able to claim grants from each council where they operate.
19. One grant is payable per stall. Grants are payable irrespective of the size (footage) of the stall. Where a trader has more than one physical stall, but the council deems it to be a single business, only one grant will be payable.
20. Grants are only available to permanent market traders and not available to street traders, as the latter do not pay rents (as required by the Government guidance).

c. Charity properties that would meet the criteria for Small Business Rate Relief

21. Charities that were previously ineligible for support under Small Business Support Grant Funding because they receive mandatory charity relief, rather than Small Business Rate Relief, but have a rateable value of less than £15,000 and do not occupy multiple premises, can apply for a single **£10,000** grant.
22. Where a charity shares premises with another organisation, the principles outlined above in paragraphs 14-17 apply.

d. Bed and breakfast businesses

23. A number of bed and breakfast businesses are not within the business rates system but instead pay Council Tax. This is where the accommodation comprises of six or fewer bed spaces and where the owner lives on site.
24. Where these meet the following criteria, they are eligible for a grant of the following amounts, which are proportionate to the fixed costs payable by these businesses:
- 1-2 bed spaces £1,000
 - 3-4 bed spaces £1,500
 - 5-6 beds spaces £2,000
25. Eligible bed and breakfast businesses must be registered as a food business with West Suffolk Council, under the food hygiene regulations, to demonstrate their role as a premises where breakfast is regularly supplied to guests.

26. In order to apply for a grant, the business must submit a range of evidence that they are operating as a bed and breakfast and have been affected by COVID-19. This is likely to include websites, advertising materials and evidence of future bookings that have been cancelled as a result of COVID-19. The business will need to demonstrate the level of bookings that they would usually expect in a year.

Relevant individual to apply for and accept grant funding

27. In the case of shared premises, grants will be paid to the leaseholder (where there is one) on 11 March 2020. Where no leaseholder exists, the grants will be paid to the property owner who has proof that they were trading from the address in question on 11 March 2020.
28. In the case of charities, grants will be paid to the ratepayer for the property.
29. In the case of bed and breakfast businesses, grants will be paid to the person liable for Council Tax at the address in question.
30. Details of regular market traders are already held by the council and payments will be made to those already on the council's finance system, unless errors have been identified.

Questions over eligibility

31. Where it is not clear whether an application falls within the scope of the Government guidance, the council will seek advice from a range of sources (for example, the Department for Business, Energy and Industrial Strategy, the Local Government Association, the Institute of Revenues, Ratings and Valuation, the Chartered Institute of Public Finance and Accountancy) and then reach a decision. The Government has made clear that there is no right of appeal. In certain cases, the council has the ability to award a grant of a different value to the amounts listed above.
32. Where the decision is a matter of local discretion for the council, and it is not clear whether an application falls within the council's scheme, it will be referred to a group of officers, including the Chief Finance Officer (s151 officer), Assistant Director for Growth and Monitoring Officer. This officer group may wish to consult with the Portfolio Holder for Resources and Performance and the Portfolio Holder for Growth on any complex decisions.
33. Delegation has been given to the Assistant Director for Resources and Performance to implement in full any changes to business rates, Council Tax or grants in response to COVID-19 as long as they are fully funded by Government.