



Neath Port Talbot County Borough Council

Cabinet

30 October 2020

Report of the Director of Finance and Corporate Services – Hywel Jenkins

Matter for Decision:

COVID 19 Lockdown Businesses Fund Grants

Wards Affected: All

Purpose of report

1. To enable the Council to make grant payments to eligible Businesses and Organisations in Neath Port Talbot in line with the Welsh Government scheme.

Background and Qualifying Criteria

2. The Welsh Government have announced additional grant funding via their COVID19 Lockdown Business Fund. This is a fund to provide financial assistance to businesses that are facing operational and financial challenges caused by the national firebreak lockdown announced for Wales as a result of COVID-19. The purpose of the fund is to support businesses with cash flow support to help them survive the economic consequences of the restrictions put in place.
3. The Welsh Government has also announced £80m of funding through its Economic Resilience fund which is managed by Business Wales and is mainly available to larger businesses.
4. The COVID19 Lockdown Business Fund consists of two separate grants which can be applied for:

Lockdown Non Domestic Rate Grant – All eligible businesses and organisations must have property registered to pay business rates. All small businesses receiving small business rates relief up to an RV of £12,000 are eligible to apply for £1,000. All retail, leisure and hospitality businesses and organisations with an RV of between £12,001 and £51,000 can apply for a grant of £5,000.

In addition businesses eligible for small business rates relief that have been subject to local restrictions for 3 weeks or more and have been materially impacted (>50% reduction in turnover) up to the 23rd October will be eligible to apply for a further grant of £1,000; and a discretionary enhanced £2,000 top-up grant is also available on an application basis for those businesses with a rateable value of £12,000 or less who are forced to close by the firebreak lockdown.

Lockdown Discretionary Grant – this discretionary grant of £1,500 or can be applied for where business has been forced to close (as a result of the national firebreak lockdown or are able to demonstrate that the national firebreak lockdown will result in at least a 80% reduction in their turnover for that period. This grant can increase to £2,000 if the business has also been subject to local restrictions for 3 weeks or more up to the 23rd October and experienced at least a 50% reduction in their turnover for that period.

Neath Port Talbot Council has received £7.427m to assist local businesses and organisations of which £675k relates to the Lockdown Discretionary Grant. These grants must be applied for between 28 October and 20 November 2020 in line with WG guidelines.

Due to coronavirus the UK and Welsh Governments are providing financial support to businesses to try to keep them viable during this challenging period. They have requested that the 22 Local Authorities provide the grant to all eligible business ratepayers in their area. This is linked to the category of NNDR that businesses pay.

Each Authority must adopt the scheme and decide in each individual case when to pay the grant.

The Lockdown Non Domestic Rate Grant Schemes will only apply to properties that were on the NDR rating list on 1 September 2020. The decision to provide the grant ultimately lies at the discretion of

the local authority and should be based on the overriding principle of the scheme of providing support to businesses negatively impacted by the Coronavirus. Should the Welsh Government provide additional guidance this will be considered when awarding the grant.

Applications for the grants must be received by 20 November 2020 and will be processed on a first come basis as funding is limited. State aid rules and other conditions apply.

Additional information may be sought from the applicant prior to award of a grant payment.

Financial Impact

5. Welsh Government has made available to this Council £6,752,500 for the Local Non Domestic Rate Grant, £675,250 for the Lockdown Discretionary Grant totalling £7,427,750. They will also provide £148,555 to administer this work. Additional staff time and costs are being incurred in developing the database, administering and paying this grant to businesses in IT, Finance and Economic Development. The Council will only pay out grants to the maximum funding made available by WG under the conditions of this scheme.
6. The Council will also aim to recover any payments made should it be determined at a later date that the grant should not have been made due to incorrect or fraudulent information provided by the applicant.

Integrated Impact Assessment

7. Due to the challenging times currently being experienced by businesses no IIA has been carried out as members will note that the Council is making available funds being made available in line with the WG Guidance and scheme.

Members will note that the scheme is to pay a grant to eligible businesses as set out in the qualifying criteria mentioned above and set out in the attached Appendix.

The approval of the scheme will provide financial assistance to relevant businesses in Neath Port Talbot.

Valleys Community Impacts

8. Businesses and eligible organisations across the county Borough are encouraged to apply for these grants. Award will be in line with WG scheme criteria and guidelines.

Workforce impacts

9. There will be additional staff resource time required to review and award the relief on the accounts. This work will be mainly absorbed within the Non Domestic Rates (NDR) and Economic Development Business Support Teams. IT will also provide support.

Legal impact

10. There is a potential State Aid consideration in relation to this relief. Whilst the UK left the EU on 31 January 2020, the Withdrawal Agreement negotiated by the UK Government and the EU provides that during a transition period State Aid rules will continue to apply as now and will be subject to control by the EU Commission as at present.

In order to minimise distortion of competition the European Commission sets limits on how much assistance can be given to organisations operating in a competitive market. Under EC Regulation 1407/2013 (de minimis Aid Regulation) as published in the Official Journal of the European Union 24 December 2013, the support provided is a de minimis aid.

There is a ceiling of €200,000 (€100,000 for undertakings in the road transport sector) for all de minimis aid provided to any one organisation over a three fiscal year period (i.e. the current fiscal year and the previous two fiscal years). Any de minimis aid provided under this service will be relevant.

The grant applicant must advise us of any other de minimis aid received during the current and previous two fiscal years, as we need to check that our support added to that previously received, will not exceed the threshold of €200,000 (€100,000 for undertakings in the road transport sector) over the last 3 fiscal years. Aid includes not only grant but also assistance such as free

or subsidised consultancy services, marketing advice etc. If there is any doubt about whether previous assistance received classes as de minimis assistance please include it.

Risk management

11. There are potential state aid risks in relation to awarding this relief but this will be mitigated once the European Commission has approved the UK request as stated in the paragraph above.

Consultation

12. There is no requirement under the Constitution for external consultation on this item.

Recommendation

13. It is recommended that Members approve that payment of grants to eligible Businesses and organisations can be made in line with the WG criteria and guidelines for the COVID 19 Lockdown Businesses Fund Grants set out in this report.

Reason for proposed decision

14. To enable the Council to make payments to eligible businesses and organisations in line with the Welsh Government Scheme

Implementation of decision

15. The decision is proposed for urgent implementation.

Appendices

16. Appendix 1 – Lockdown Non Domestic Rate Grant guidance
Appendix 2 – Lockdown Discretionary Grant guidance

List of background papers

17. Welsh Government Grant Scheme Guidance

Officer contact

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Welsh Government Grant Scheme for Businesses

Lockdown Non Domestic Rate Grant

Guidance Notes

Lockdown Non Domestic Rate Grant - PURPOSE OF THE GRANT

The Welsh Government have launched the Lockdown Non Domestic Grant to help businesses survive the economic consequences of the national firebreak lockdown in Wales as a result of coronavirus (Covid-19).

The purpose of the grant is to support businesses with immediate cash flow support to help them survive the economic consequences of the national lockdown in Wales. This includes supporting the costs of retaining staff where appropriate. The grant seeks to complement other Covid-19 response measures to support businesses, social enterprises and charitable organisations in Wales.

The grant will be open to applications from the 28th October and will close at 5pm on the 20th November 2020 or when the fund is fully committed.

BUSINESS WALES

Business Wales provides tailored support to start-up, micro and small and medium sized businesses in Wales. The service can help you understand what your needs are and provide tailored support packages including access to online tools, workshops, specialist advisers and mentors. In addition to working with you on a business diagnostic and action plan, our advisers can also provide targeted financial advice and access other support that you might benefit from.

To find out more, please visit www.businesswales.gov.wales.

Lockdown Non Domestic Rate Grant – WHO CAN APPLY & HOW MUCH FOR?

Grant 1

A grant of £5,000 is being made available for retail, leisure and hospitality businesses that have been forced to close (as defined by [the regulations](#)) and occupy properties with a rateable value of between £12,001 and £51,000. You will need to be on the NDR rating list for your local authority on 1 September 2020 and will need to complete a simple registration form to receive the grant. Businesses must be liable for business rates payable to the local authority to be eligible for this grant.

In line with the regulations, the primary operation of the business at the qualifying hereditament must be closed during the firebreak period to be eligible for this element of support. However if a food delivery or takeaway service is in operation (and is not the normal primary income source for the business) and aligns fully to the reasonable measures required you may apply for the £5k grant. Businesses should read the relevant regulations and make their own judgment before applying based on the regulation and broader support offer.

The Welsh Government has produced the NDR scheme [guidance](#) for *Retail, Leisure and Hospitality Rates Relief in Wales – 2020-21* for expanded Covid-19 rates relief for occupied retail, leisure and hospitality properties.

The guidance lists the properties that will benefit from the relief as being wholly or mainly used:

- As shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- For assembly and leisure
- As hotels, guest and boarding premises and self-catering accommodation.

The guidance provides a detailed list of the hereditaments that are eligible under the above categories. It also provides a list of hereditaments that are not eligible. The relief is available to not-for-profit organisations occupying eligible properties, e.g. charity shops, including those already eligible for partial mandatory relief on those properties.

Grant 2

A grant of £1,000 is being made available to businesses eligible for small business rates relief (SBRR) in Wales occupying properties with a rateable value of up to £12,000 (see exceptions below). Businesses must be liable for business rates payable to the local authority to be eligible for this grant.

Dependent on meeting the eligibility criteria, Grant 2 applicants can also apply for the following top-up grants.

- Businesses eligible for small business rates relief that have been subject to local restrictions for 3 weeks or more and have been materially impacted (>50% reduction in turnover) up to the 23rd October will be eligible for a further grant of £1,000

- **and** a discretionary enhanced £2,000 top-up grant will be made available on an application basis for those businesses with a rateable value of £12,000 or less who are forced to close by the firebreak lockdown (as defined by the regulations).

You will need to be on the NDR rating list for your local authority on 1 September 2020 and will need to complete a simple application form to receive the grant.

Businesses need to declare that they are trading and generating a turnover to be eligible for this grant.

Not-for-profit organisations that meet the eligibility criteria for Grant 2 may apply for the grant including the enhanced top-ups if appropriate.

The multiple property restriction applied to the Small Business Rates Relief scheme applies to this grant. Therefore the same ratepayer may only receive the grant for a maximum of two properties in each local authority.

AND

A £1,000 grant to all ratepayers eligible for charitable relief and Community Amateur Sports Clubs (CASC) relief, operating in the retail, leisure and hospitality sectors occupying properties with a rateable value of up to £12,000. Local authorities have discretion to provide grants to not-for-profit bodies they consider to be operating for charitable purposes but aren't currently receiving charitable relief or CASC relief. This discretion will only apply to not-for-profit organisations who are in receipt of or have entitlement to discretionary rates relief and operate in the retail, leisure or hospitality sectors. Community Amateur Sports Clubs will also be eligible to apply for the top up grants if they meet the eligibility criteria detailed above.

The multiple property restriction applied to the Small Business Rates Relief scheme applies to this grant. Therefore the same ratepayer may only receive the grant for a maximum of two properties in each local authority. This multiple property restriction also applies to charities, CASC and not for profit organisations.

In relation to self-catering accommodation, properties will not be eligible for the grant unless the following criteria are met:

- The self-catering accommodation can produce two years of trading accounts directly preceding the current financial year of the business
- The self-catering accommodation must actually have been let for a period of 140 days or more in the financial year 2019-20
- The self-catering accommodation business must be the primary source of income for the owner (minimum threshold is 50%).

Local authorities have full discretion to request and examine trading business accounts, booking lists and self-assessment tax returns submitted to HMRC for the financial year ending 31 March 2019 if additional evidence is required to demonstrate that this criteria is met. In cases where local authorities have decided to request additional evidence and the evidence shows that the scheme criteria are not met, local authorities are required to withhold payment of grant.

Childcare providers that currently receive 100% Small Business Rates Relief are eligible for the £1,000 grant.

Businesses in receipt of the Lockdown Discretionary Grant are ineligible for the Lockdown Non Domestic Grant.

Gaming

1. All businesses in receipt of small business rates relief (SBRR) may apply for the £1,000 grant (and the top-up grants if they meet the eligibility criteria). Smaller gaming/gambling establishments benefitting from SBRR could also be eligible for a grant.
2. Arcades of the type that could be classified as amusements rather than gambling premises are considered leisure establishments and are eligible for the grants either via the SBRR route or, where the rateable value of the premises makes them eligible, for the larger £5,000 grant as leisure facilities.
3. Gaming establishments (as generally found in a city centre environment but potentially also located anywhere) that usually have limited access to people aged 18 and over and are a) not entitled to SBRR and b) where gambling rather than amusement is the predominant activity are not eligible for the retail, leisure and hospitality grant. The NDR scheme guidance for Retail, Leisure and Hospitality Rates Relief in Wales – 2020-21 explicitly excludes gambling hereditaments.

Businesses will **not be eligible** for either grant if they fall into one of the following categories:

- Enforced closure having infringed social-distancing rules. However, if improvements have been made and the business has been allowed to re-open then they may be eligible for the grant (subject to meeting the eligibility criteria).
- Businesses that chose to close but are not required to
- In liquidation or dissolved or in process of being struck off
- Breached State Aid limit

Businesses need to confirm that without the grant support the viability of the enterprise will be under threat, and outline why.

All applications will be considered on an individual basis and payment of the grants is at the absolute discretion of the Local Authority within the criteria set out in this guidance”.

Lockdown Non Domestic Rate Grant - HOW TO APPLY

Businesses can apply for the grant by accessing their Local Authority's Lockdown website page. If eligible, you will be able to access the online application form, complete all the requested fields and submit your application. **Please note that all fields are mandatory** – failure to complete them will result in your application being rejected.

The grant will be open to applications from on the 28th October and will close at 5pm on the 20th November 2020 or when the fund is fully committed.

Applications will be dealt with on a **first come first served** basis. This **may** lead to applications not being appraised after they have been submitted if the fund is fully committed.

The Local Authority has absolute discretion on the duration and terms of the fund.

Lockdown Non Domestic Rate Grant - GRANT REPAYMENT

Applicants should note that the Local Authority may require repayment of the grant in full or part if evidence emerges that the applicant was not eligible for the Lockdown Non Domestic Rate Grant

Lockdown Discretionary Grant

Guidance Notes

The Welsh Government have launched the Lockdown Discretionary Grant to help businesses survive the economic consequences of the national firebreak lockdown in Wales as a result of coronavirus (Covid-19).

Lockdown Discretionary Grant - PURPOSE OF THE GRANT

The purpose of the grant is to support businesses with immediate cash flow support to help them survive the economic consequences of the national firebreak lockdown in Wales. This includes supporting the costs of retaining staff where appropriate. The grant seeks to complement other Covid-19 response measures to support businesses, social enterprises and charitable organisations in Wales.

The grant will be open to applications from the 28th October and will close at 5pm on the 20th November 2020 or when the fund is fully committed.

BUSINESS WALES

Business Wales provides tailored support to start-up, micro and small and medium sized businesses in Wales. The service can help you understand what your needs are and provide tailored support packages including access to online tools, workshops, specialist advisers and mentors. In addition to working with you on a business diagnostic and action plan, our advisers can also provide targeted financial advice and access other support that you might benefit from.

To find out more, please visit www.businesswales.gov.wales.

Lockdown Discretionary – WHO CAN APPLY?

Businesses that meet the following criteria may be eligible for the grants:

- Business was trading prior to 1st September 2020
- Businesses must be operating in Wales
- Businesses must have **one** or more of the following
 - HMRC Unique Taxpayer Reference (UTR) Number
 - VAT Registration Number or a VAT exemption certificate
 - Company Registration Number

- Have been forced to close or have experienced a drop in turnover of >80% as a result of the national lockdown in Wales
- Employing 49 or less employees
- The business must be your main source of income (>50%)
- Supported businesses must aim to maintain employment for 12 months
- Only one application per business
- Businesses should be actively trading up to the date of national firebreak lockdown and may be required to provide evidence to demonstrate this
- Businesses that are **eligible** for the Lockdown Non Domestic Rate Grant are **not eligible** for this discretionary grant.

Lockdown Discretionary Grant - HOW MUCH CAN YOU APPLY FOR?

Grant amount 1 - a discretionary grant of £1,500 is available to assist businesses that have:

- Been forced to close (as defined by [the regulations](#)) as a result of the national firebreak lockdown
- **OR** are able to demonstrate that the national firebreak lockdown will result in at least a 80% reduction in their turnover for that period

Grant amount 2 - a discretionary grant of £2,000 is available to assist businesses that have:

- Been forced to close (as defined by [the regulations](#)) as a result of the national firebreak lockdown
- **OR** are able to demonstrate that the national firebreak lockdown will result in at least a 80% reduction in their turnover for that period
- **AND** have been subject to local restrictions for 3 weeks or more up to the 23rd October and experienced at least a 50% reduction in their turnover for that period.

You cannot apply for Grant 1 and Grant 2.

Businesses need to confirm that without the grant support the viability of the enterprise will be under threat, and outline why.

The grant will be open to applications from the 28th October and will close at 5pm on the 20th November 2020 or when the fund is fully committed.

All applications will be considered on an individual basis and payment of the grant is at the absolute discretion of the Local Authority within the criteria set out in this guidance”.

Lockdown Discretionary Fund - HOW TO APPLY

Businesses can apply for the grant by accessing their Local Authority’s Lockdown webpage. If eligible, you will be able to access the online application form, complete all the requested

fields and submit your application. Please note that all fields are mandatory – failure to complete them will result in your application being rejected.

Applications will be dealt with on a **first come first served** basis. This **may** lead to applications not being appraised after they have been submitted if the fund is fully committed.

The Local Authority has absolute discretion on the duration and terms of the fund.

Lockdown Discretionary Grant - GRANT REPAYMENT

Applicants should note that the Local Authority may require repayment of the grant in full or part if evidence emerges that the applicant was not eligible for the Lockdown Discretionary Grant.