



Neath Port Talbot County Borough Council

Cabinet

16th March 2021

Report of the Head of Finance – Huw Jones

Matter for: Decision

Extension of Grant Support to Businesses affected by additional trading restrictions in March 2021

Wards Affected: All

Purpose of report

To enable the Council to make grant payments of £4,000 and £5,000 to eligible Businesses in Neath Port Talbot in line with the extended Welsh Government scheme.

This is an extension to the grant support scheme already announced by WG due to the continuation into March 2021 of the restrictions that initially came into effect on 20th December 2020.

Background

The Welsh Government have announced grant funding to the Council in order to provide more grants of £4,000 and £5,000 to businesses affected by additional trading restrictions which came into effect on 20th December 2020 and have now been extended into March 2021.

Those qualifying businesses who have already received a payment as a result of the December restrictions will receive a further instalment automatically.

Members will be aware that the businesses eligible for grants must meet one of the following criteria:

i) Grant A:

A **£4,000** cash grant payment for hospitality, tourism and related supply chain businesses including some retail businesses with Small Business Rate Relief (SBRR) qualifying hereditaments with a rateable value of £12,000 or less.

ii) Grant B:

A **£5,000** cash grant payment for hospitality, tourism and related supply chain businesses including some retail businesses occupying hereditaments with a rateable value between £12,001 and £500,000.

Local authorities should process both grants for businesses that received an NDR linked grant via the schemes launched in December 2020 without need for any further application processes to be introduced

The Council is required to adopt the scheme.

Qualifying Criteria

A copy of the eligibility criteria for the grants are detailed in Appendix 1 to this report.

Financial Impact

Welsh Government will reimburse the Council for all expenditure incurred.

Integrated Impact Assessment

This report does not require an Integrated Impact Assessment.

Valleys Community Impacts

Positive impact for business rates payers who fit the criteria for the relief and subsequent reduction in rates bill.

Workforce impacts

There will be additional staff resource time required to review and process applications received.

Legal impact

New applicants for the grant will need to provide a state aid declaration confirming that they will receive the funds within such rules. Payments made to previously paid applicants have already made such a declaration in the previous application.

Risk management

There are no risk management implications associated with this scheme.

Consultation

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

Recommendation

It is recommended that Members approve the making of grants to eligible Businesses for 2020/21 as set out in this report and in line with the guidance received from the Welsh Government.

Reason for proposed decision

To enable the Council to make payments to eligible businesses in line with the Welsh Government Scheme

Implementation of decision

The decision is proposed for immediate implementation.

Appendices

Appendix 1 – WG Grant Scheme Guidance Notes

List of background papers

Local Government Finance Act 1988.

Welsh Government Grant Scheme Guidance

Officer contact

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Welsh Government
Economic Resilience Fund (ERF)

Restrictions Business Fund
Non-Domestic Rates (NDR) Linked Grants - March
2021

Guidance for local authorities on administering Covid-19 Non-Domestic Rates (NDR) linked grants to qualifying hereditaments.

About this guidance

1. This guidance is intended to support county and county borough councils (“local authorities”) administer business support grant schemes linked to the NDR system in Wales.
2. The purpose of the NDR linked grant schemes is to support businesses with their immediate cash flow and to help them survive the economic consequences of additional restrictions necessary to control the spread of Covid-19.
3. These restrictions commenced on Friday 4th December and were extended by the First Minister in his announcement on 12th March 2021. The scheme being introduced on 15th March 2021 will help businesses affected by coronavirus restrictions meet operating costs falling within the 2020/21 financial year to 31st March 2021.
4. The previous NDR linked grant schemes introduced in December 2020 and subsequently extended should be closed to new applicants at 5pm on Thursday 11th March 2021.
5. As with the Covid-19 NDR linked grant schemes delivered in Wales since December 2020, the new schemes being introduced on 15th March 2021 (and the subject of this guidance) continue to be targeted in nature to provide direct support principally to hospitality businesses.
6. The grants will also continue to provide support to supply chain businesses linked to the hospitality sectors and some retail businesses that can demonstrate a material impact to their enterprises as a result of on-going restrictions.
7. For businesses that registered and were awarded an NDR linked grant under the December 2020 onwards NDR linked grant schemes, local authorities are expected to make an automated payment under this new scheme.
8. Businesses occupying eligible hereditaments that have not previously registered or have not been awarded a grant under the December onwards NDR linked grant schemes will need to complete a short registration form. Local authorities should make the registration form available from 15th March to 31st March 2021. This is expected to apply only to a small number of businesses occupying eligible hereditaments that are yet to make themselves known.
9. **The decision to provide a grant ultimately lies at the discretion of the local authority and should be based on the overriding principle of the NDR linked grant schemes providing support to businesses negatively impacted by Covid-19 restrictions.**
10. As with previous schemes, these new grants will complement UK Government schemes, with employment costs being met predominantly through the Job Retention Support Scheme (JRS) which has been extended to September 2021.
11. A further, £30m hospitality specific Economic Resilience Fund (ERF) grant scheme has also been introduced and is being administered directly by the Welsh

Government in March 2021. It will open for full applications on Tuesday 9th March 2021 and will close on Friday 12th March 2021.

The NDR linked grant schemes

12. Two new NDR linked grant schemes are being introduced by the Welsh Ministers in March 2021. They are as follows.
 - i) **Grant A:**
A **£4,000** cash grant payment for hospitality, tourism and related supply chain businesses including some retail businesses with Small Business Rate Relief (SBRR) qualifying hereditaments with a rateable value of £12,000 or less.
 - ii) **Grant B:**
A **£5,000** cash grant payment for hospitality, tourism and related supply chain businesses including some retail businesses occupying hereditaments with a rateable value between £12,001 and £500,000.
13. Local authorities should process both grants for businesses that received an NDR linked grant via the schemes launched in December 2020 without need for any further application processes to be introduced.
14. For qualifying businesses that have not previously applied for or been awarded a grant, a registration form should be made available. Local authorities should **open the registration process for these businesses on Monday 15th March 2021 and close it at 5pm on Wednesday 31st March 2021.**
15. Businesses registering for the first time will be asked to self-declare whether they have experienced a **40% reduction in turnover** for January 2021 and February 2021 as compared to January 2020 and February 2020.
16. For registering businesses that had not yet started trading in January 2021 local authorities will need to apply their discretion in assessing the application.
17. Businesses needing to register will need to be liable as the ratepayer to the local authority and in occupation of the qualifying hereditament on **1st March 2021.**
18. 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.
19. Grant A will also apply to ratepayers eligible for charitable relief and Community Amateur Sports Clubs (CASC) relief, operating in the 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 leisure or hospitality sectors.

20. Grant B is also available to not-for-profit organisations occupying eligible hospitality and leisure properties.

Administering the schemes

21. In order to help affected businesses survive the effect of extended restrictions, it is important that funding reaches them quickly and efficiently but with appropriate accounting officer safeguards in place.

22. It will be the intention to keep registration forms as light touch as possible and to re-use as far as possible, tried and tested approaches.

23. Local authorities will be provided with financial support to help meet the costs of administering these grants. Further details on this will be provided separately.

24. The Restrictions Business Fund Non-Domestic Rates (NDR) Linked Grants - March 2021 Extension is separate to and distinct from earlier rounds of NDR linked grant support. All previous NDR linked grant schemes are now closed to new applicants and there are no exceptions to this.

25. Registering for the Restrictions Business Fund Non-Domestic Rates (NDR) Linked Grants - March 2021 Extension does not enable businesses to apply retrospectively for previous or any other grant schemes.

Definitions – Hospitality

26. Qualifying hospitality hereditaments include:

- Restaurants
- Cafés
- Pubs
- Bars or wine bars
- Accommodation providers (e.g. hotels)

27. In addition, some premises are required to close under the Health Protection (Coronavirus Restrictions) (No. 4) (Wales) Regulations 2020, as amended¹. A list of such properties is provided below.

- Concert halls
- Theatres
- Licenced club premises or live music venues
- Bingo halls
- Bowling alleys, amusement arcades and indoor play areas
- Cinemas
- Skating rinks
- Funfairs, amusement parks and theme parks
- Museums and galleries
- Visitor attractions

¹ See: <https://gov.wales/sites/default/files/publications/2020-12/the-health-protection-coronavirus-restrictions-no-4-wales-regulations-2020-as-amended-with-the-changes-illustrated.pdf>

28. Where businesses occupying properties types listed above have applied and have been awarded a grant under the December 2020 onwards NDR linked grant schemes, local authorities are expected to make an automated re-payment under this new scheme.
29. Any businesses occupying potentially eligible hereditaments that have not registered or been awarded a grant under the December 2020 onwards NDR linked grant schemes will need to complete the registration process.

Definitions – Hospitality, Tourism, Leisure supply chain and Retail

30. In processing any new applications for each of the above grants from hospitality, tourism and leisure supply chain businesses and retail businesses materially impacted by the new restrictions, local authorities should apply the Welsh Government's guidance on Retail, Leisure and Hospitality Rates Relief in Wales – 2020-21. This guidance provides a detailed list of the hereditaments that are eligible. It also provides a list of hereditaments that are not eligible.
31. In relation to self-catering accommodation, similar guidance as for previous NDR linked grant schemes applies, which is that 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 business must be the primary source of income for the owner (minimum threshold is 50%).
 - The self-catering accommodation must actually have been let for a period of 140 days or more over a continuous 12 month period during the two years preceding the grant application
32. For self-catering properties, local authorities have full discretion to request and examine trading business accounts, booking lists and self-assessment tax returns submitted to HMRC 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.
33. It is presumed that where necessary, local authorities will already have conducted any checks on self-catering properties paid grant as part of earlier NDR linked grant schemes (notably the Firebreak scheme and the schemes available in Wales since December 2020). **Repeat checks on the same self-catering businesses already awarded grant will not therefore be expected as part of this new scheme.**
34. In relation to gambling and gaming, 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.

35. 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.