

Discretionary Grant Fund – South Oxfordshire District Council

Aim of the Grant

The Local Authority Discretionary Grants Fund Guidance (13 May 2020) states that:

4. 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.

5. This additional fund is aimed at small businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund.

Funding

A letter dated 20 May 2020 from BEIS confirmed the total funding available for the South Oxfordshire District Council is £1,157,250. This is a percentage of the unspent residual funds from the SBGF and RHLGF.

Timing

The Guidance outlines that Government's desire for the first payments made under the scheme to be received by businesses by early June.

In agreement with Oxfordshire local authority S151 Officers, an application window will be used by all local authorities to provide eligible businesses sufficient time to submit an application and reduce the administrative burden on council resources. The following timetable has been agreed:

- 1 – 14 June: Open for applications from businesses
- 15 – 4 July: Process applications and issue payments
- 5 July: close grant programme.

Who Can Apply?

As per the Guidance (13 May 2020) which outlines national eligibility criteria and allows local authority discretion for prioritising applications, a business is eligible for a grant administered by the South Oxfordshire District Council if:

1. The business was trading on 11 March 2020¹; AND
2. The business is a small or micro business, as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006²,

¹ Government's national criteria: para 31, discretionary grant guidance

² Government's national criteria: para 20, discretionary grant guidance

- a. 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 50³
 - b. 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 10⁴
 AND
3. The business, on 11 March 2020, occupied a shared office, flexible workspace or individual unit located in the South Oxfordshire district which did not have its own business rates assessment on 11 March 2020. This includes but is not limited to units in industrial parks, science parks, incubators and business parks OR
 - a. Is a Bed & Breakfast which pays Council Tax instead of business rates, OR
 - b. Is a charity property in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief⁵
 4. The business can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis⁶; AND
 5. The business with relatively high ongoing fixed property-related costs⁷; AND
 6. The business has not had rent waived for three or more months during the period 1 March 2020 to 31 May 2020⁸, AND
 7. The business occupies property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000⁹.

Who is ineligible?

A business is ineligible for the grant under this scheme if:

8. The business was not trading on 11 March 2020¹⁰; AND/OR
9. The company is in administration, is insolvent or a striking-off notice has been made¹¹; AND/OR

³ Government's national criteria: para 21, discretionary grant guidance

⁴ Government's national criteria: para 22, discretionary grant guidance

⁵ Government's national priority: para 24 and para 29, discretionary grant guidance

⁶ Government's national priority: para 20, discretionary grant guidance

⁷ Government's national priority: para 20, discretionary grant guidance

⁸ South Oxfordshire criteria: businesses which have had rent waived, not deferred, are likely to not have high fixed-property related costs during the lockdown

⁹ Government's national priority: para 20, discretionary grant guidance

¹⁰ Government's national criteria: para 31, discretionary grant guidance

¹¹ Government's national criteria: para 32, discretionary grant guidance

10. The business is eligible for, and in receipt of, any central government COVID related scheme. Such grant schemes include but are not limited to:

- 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 Fund¹²
- OxLEP COVID - 19 Business Resilience Fund
- Coronavirus Community Support Fund

Grant Funding Level

11. A business satisfying the all the eligibility criteria (1-7) and the definition of a small business, under the Companies Act 2006, will receive a grant of £10,000¹³.

12. A business satisfying the eligibility criteria (1-7) and the definition of a micro business, under the Companies Act 2006, will receive a grant of £5,000¹⁴.

Ranking and Scoring

13. Applications that meet all eligibility criteria will be scored according to the scoring matrix below:

Discretionary Grant Fund Scoring Matrix		
Points	Criteria to Score	Example
0-100	Percentage of monthly/annual expenditure is fixed property-related costs Evidence: i. Evidence: copy of bank statements or bills for 1 April to 30 June 2019 demonstrating the monthly costs AND ii. Evidence: a statement or letter from landlord that the rent has been deferred and not waived 1 March to 31 May 2020 (<i>if applicable</i>).	If 70% of monthly expenditure is fixed property related costs, a score of 70 will be given. If 10% of monthly expenditure is fixed property related costs, a score of 10 will be given.
0-100	Percentage of income loss 1 March - 31 May 2020 compared to 1 March – 31 May 2019 i. Evidence: bank statement for 1 March – 31 May 2019 and 1 March – 31 May 2020	If income loss is 70%, a score of 70 will be given. If income loss is 10%, a score of 10 will be given.

¹² Government's national criteria: para 29, discretionary grant guidance

¹³ South Oxfordshire District Council decision based on government's national priority: para 27, discretionary grant guidance.

¹⁴ South Oxfordshire District Council decision based on government's national priority: para 27, discretionary grant guidance.

0-50	Number of employees (13c) i. Evidence: PAYE statements or accounts for March 2020	If the business employs 25 people, a score of 25 will be given. If a business employs 1 person, a score of 1 will be given
50	Supply chain impact – if the predominate customer base is other businesses i. Evidence: statement from business	A B&B where customers are visitors to local businesses
0	Supply chain impact – if the predominate customer base is the general public (13e) i. Evidence: statement from business	

14. Grants will be awarded from the highest to lowest scoring applications until all the funding has been allocated.

Payment of Grants

15. All organisations are required to sign up to the council's standard terms and conditions before proceeding with the application. Confirm that applicants have met all the conditions will be made before making funding decisions. Failure to meet all the agreed conditions will result in the application deemed ineligible.

16. The final decision to award a grant will be made jointly by the Acting Deputy Chief Executive – Place with the Head of Finance.

17. Successful applications will be sent a letter of acceptance that must be signed and returned before the council will issue payment.

18. Grants that have not been claimed within one month of the acceptance letter will be considered forfeited and payment will not be made.

Notes

- The council's SME Business and Innovation Strategy Final Report (March 2017) highlights that the majority of businesses in the Vale employ less than 50 people (definition of a small business) and about 86% of all businesses employ fewer than 10 employees (definition of a micro business).
- The council will not prioritise high growth business as it is unfair to discriminate against the micro businesses who do not have growth plans but are satisfied with their current turnover and staffing levels.

- During the administration of the SBGF and RHLGF, major office management companies and occupiers inundated the council with enquires about grant eligibility and submitting cases why they should be eligible. There was and remains a large demand to support these businesses which 'fell through the cracks'.