

Blackpool Business Recovery Fund (BBRF)

Grant Allocation Policy: Round 2

Blackpool Council



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1.0 Document Control

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1.1 Record of Amendments

| Date | Version | Amended by | Description of changes |
|------------|---------|------------|---|
| 26/03/2021 | 2 | Peter Legg | Eligible business additions SEISS exclusion criteria removed Closing date extended to 7 April |

1.2 Approval

| Name | Title | Date |
|----------------|-----------------------|------------|
| Steve Thompson | Director of Resources | 26/03/2021 |

2.0 Background

- 2.1 The government has initiated local restrictions in response to increased Coronavirus rates within communities. Localised restrictions are legally binding restrictions imposed on Local Authority areas where the Secretary of State for Health and Social Care uses powers of Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.
- 2.2 Grant assistance has been provided to businesses legally required to close or able to trade but severely impacted by local restrictions. Local Authorities are responsible for administering these grants in accordance with government guidance.
- 2.3 Blackpool was allocated government grants in response to the first lockdown period in early 2020. Some £47m was paid to over 4,000 local businesses (through the Small Business or Retail Hospitality and Leisure Grant funds).
- 2.4 From September 2020 onwards further grants have been provided in response to various restrictions and multiple lockdowns via the Local Restrictions Support Grant (LRSB) scheme. This scheme is more narrowly defined in terms of eligible business sectors - assisting non-essential retail, hospitality and leisure businesses that have been more severely affected by local restrictions.
- 2.5 LRSB schemes are not discretionary but do require an application to be made to the Council. The amount of grant paid is subject to whether a business is legally required to close or (under the tiered system) able to still operate albeit with reduced trade. Grant levels differ according to the rateable value of a property. Non-rated businesses are ineligible.
- 2.6 Further information on these schemes and eligibility can be found below :-
- Local Restrictions Support Grants – [government guidance](#).
 - Local Restrictions Support Grants – [Blackpool Council website](#).
- 2.7. Upon entering Tier 3 restrictions, the government awarded Blackpool £2.8m in discretionary grant funding under the [Additional Restrictions Grant \(ARG\)](#). During the latest lockdown period Blackpool received a further £1.2m in ARG – increasing the pot to £4m.
- 2.8. Local councils can determine which businesses to target and determine the amount of funding from the ARG. This could include businesses:
- which supply the retail, hospitality, and leisure sectors
 - that operate in the tourism and events sectors
 - are required to close but which do not pay business rates
 - not legally forced to close but are nonetheless severely impacted by the restrictions put in place to control the spread of COVID-19.

- 2.9. The government envisage that ARG is distributed primarily in the form of discretionary grants, but Local Authorities can also use this funding for wider business support activities.
- 2.10. Blackpool Council has called its discretionary grants policy i.e. how it intends to allocate its ARG – **The Blackpool Business Recovery Fund (BBRF)**.
- 2.11. The first round of applications to BBRF ran from the 30th November to December 14th 2020. The [BBRF Grant Allocation Policy](#) targeted further support to hospitality and leisure sectors and their supply chain.
- BBRF dovetailed an opportunity for businesses to apply for the LRSG grant that applied to the 22 days that Blackpool fell within Tier 2 restrictions. 1,158 businesses were awarded £893,892 under this measure. These same businesses, a mix of accommodation providers and hospitality businesses, continued to receive ongoing grant support during Tier 3, 4 and lockdown periods.
 - Under BBRF a further £1.4m was awarded to over 600 eligible businesses (including over 500 taxi drivers and operators). Some £600k of this has been attributed to the LRSG (open) grant.
 - The net BBRF available under this round is circa £3.2m. Any unspent resource may form part of a subsequent round of direct grants or other indirect business support. There is also the possibility of additional ARG, subject to government rules around the performance of the fund.

3.0. Purpose of the BBRF Round 2 Policy

- 3.1. This grant allocation policy - **BBRF Round 2** - sets out the eligibility criteria for further applications to this enhanced fund.
- 3.2. BBRF2 aims to continue to support the retail, leisure and hospitality (RHL) sectors and its supply chain, but also niche sectors that have fallen through the cracks of current grant regimes. In exceptional cases, applications from non-RHL related business sectors will also be encouraged. BBRF2 eligible business sectors are set out in **appendix 1**.
- 3.3. BBRF2 aims to:-
- i) Offer financial assistance to a priority range of businesses operating in and supplying the hospitality, leisure and accommodation sectors, severely impacted by COVID related local or national restrictions.
 - ii) In this second round, additional business sectors ineligible for other grant schemes are also encouraged to apply where they can demonstrate significant loss of trade due to local restrictions. See **appendix 1**.

- iii) Provide strategic financial assistance to larger businesses critical to the economic recovery of Blackpool's visitor economy in 2021.
 - iv) Communicate advice and support (financial and non-financial) to all businesses affected by COVID-related trading restrictions; led by the Council's Business Support Team via www.blackpoolunlimited.com
- 3.4. BBRF is a finite discretionary resource. It is not possible to allocate grant to all businesses in Blackpool who have been affected by local restrictions. It therefore remains a targeted intervention to those most severely affected.
- 3.5. The Council is required to publish any subsequent amendments to this policy or subsequent funding rounds if applicable.

4.0 Blackpool Business Recovery Fund (BBRF)

Scope

- 4.1. Small and medium sized businesses, often family-owned, have been severely impacted by recent restrictions and will continue to be affected until the economy can fully reopen in 2021 in line with the [government's roadmap out of lockdown](#).
- 4.2. Grant support remains targeted at businesses dependent on or supplying the visitor economy - hospitality, leisure and accommodation sectors. However, the scope of the fund has been widened to support niche sectors that suffer from lack of footfall due to the recent stay at home policy and who are deemed ineligible for the core LRSG grants.
- 4.3. Under the initial BBRF funding round larger tourism businesses received financial assistance towards plans to restart their business in 2021. The focus of BBRF2 will be on supporting smaller businesses who have thus far missed out on support or whose initial grant allocation was limited and requires a top-up to take into account the extent of subsequent lockdowns.

Eligible Business Sectors

- 4.4. Grants are available for small and medium businesses in Blackpool who operate within the eligible business sectors summarized in **appendices 1 and 2**.

Grants Payable

- 4.5. **Appendix 3** sets out the potential grants payable according to the size of the businesses applying, ratepaying status, and is subject to general conditions set out in section 5.
- 4.6. Only one grant will be payable per business, except where stated. Grant will be calculated against the rateable value of the largest property, or in the case of a second grant, the second highest rated property.

- 4.7. For non-rated businesses a proxy will be used to calculate rateable value based on 50% of annual rent payable. For multiple units owned/operated by the same business grant will be calculated against the proxy rateable value of the largest unit or concession. An up to date lease may be required as evidence.
- 4.8. Other fixed grant levels are indicated in **appendix 3**.
- 4.9. National or international corporates or high street chains are not eligible for a discretionary grant.

5.0. Who Can Receive This Funding?

- 5.1. All applicants should operate from a registered business address within the Blackpool borough boundary, and can demonstrate fixed ongoing property-related costs at their business address.
- 5.2. Only businesses that were established and actively trading prior to the introduction of LCAL 2 tier restrictions are eligible. For Blackpool this means prior to the 25th September 2020.
- 5.3. Businesses in administration, insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
- 5.4. Any grants awarded are subject to Grant Subsidy Allowances (replacing former EU State Aid limits) – see *section 7* for details. All applicants must declare previous grants received as this may limit the amount of grant that can be paid.

6.0 HOW TO APPLY

- 6.1. Businesses must make an application for this funding. Eligible businesses who fail to apply by the required deadline will not be eligible for a retrospective grant payment. **APPLICATIONS TO THE FUND CAN BE MADE FROM 3PM, MONDAY 15TH MARCH UNTIL MIDNIGHT ON THE 7TH APRIL 2021.**
- 6.2. Please refer to www.blackpoolunlimited.com for details, or click the relevant link below to go apply.

| | |
|------------------------------------|-----------------------------------|
| All applicants other than below. | <u>APPLY HERE</u> |
| Category 7: Transport – Taxis only | <u>APPLY HERE</u> |

Decisions and Appeals

- 6.3. Applications will be approved or rejected on the basis of this guidance. The Director of Resources has the discretion to approve, reject or defer applications pending further information.
- 6.4. If approved the amount of grant will be paid direct into bank accounts via BACS. There is no right of appeal over the level of grant awarded.
- 6.5. If an application is rejected a brief explanation of the decision will be provided.
- 6.6. Where an application has been rejected an appeal will only be allowed subject to new information arising, and must be provided within 5 working days of the notified decision.
- 6.7. Appeals must be submitted by email to: C19business.support@blackpool.gov.uk

7.0 COVID-19 Business Grant Subsidy Allowance (replacing former EU State Aid Requirements)

- 7.1. EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period on 31 December 2020.
- 7.2. On Thursday 4 March new subsidy allowances were established for the COVID-19 business grants schemes, on the basis of the principles set out in Article 3.4 of the Trade and Cooperation Agreement (TCA) with the EU.
- 7.3. The following scheme rules summarised below do not apply retrospectively. Local Authorities do not have to revisit decisions.
- 7.4. There are three subsidy allowances for this scheme:-

a) *Small Amounts of Financial Assistance* – this allowance enables an applicant to receive up to a maximum level of subsidy without engaging Chapter 3 of the TCA. This allowance is 325,000 Special Drawing Rights, to a single economic actor (defined as a business entity or group) over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021. An applicant may elect not to receive grants under the Small Amounts of Financial Assistance and instead receive grants only using the below allowances available under this scheme. BBRF R2 will relate to this measure unless an applicant requests that it falls under another measure, as per below.

b) *COVID-19 Business Grant Allowance* – where the Small Amounts of Financial Assistance has been reached, grants may be paid under this measure (subsidies granted on a temporary basis to respond to a national or global economic emergency). For the purposes of these scheme rules, this allowance is £1.6m per single economic actor.

c) *COVID-19 Business Grant Special Allowance* – applies where an applicant has exceeded both of the above measures. It may be able to access a further allowance of funding under these scheme rules of up to £9m per single economic actor, subject to conditions:

- 1) Covers the applicants uncovered fixed costs (fixed costs not otherwise covered by profit, insurance or other subsidies) between 1 March 2020 and 31 March 2022;
- 2) Applicants must demonstrate a decline in turnover of at least 30% compared to same period in 2019. Calculation of losses based on audited accounts or official statutory accounts filed at Companies House/HMRC.
- 3) The grant payment must not exceed 70% of the applicant's uncovered fixed costs, except for micro/small enterprises where the grant must not exceed 90% of uncovered fixed costs.

Grants under all three measures above may be combined for a potential total allowance of £10.935m.

8.0. Taxation

- 8.1. Grant income received by a business is taxable therefore funding paid under the Local Restrictions Grant or Additional Restrictions Grant will be subject to tax.
- 8.2. Only businesses which make an overall profit, once grant income is included, will be subject to tax.

9.0 Declarations & GDPR

- 9.1 All applicants will be requested to declare the accuracy of the information they provide.
- 9.2 Applicants are required to provide business bank account details to speed the process of BACS payments upon approval.
- 9.3 The retention period for all applicant data will be subject to further confirmation from government in terms of post payment assurance. The Council will confirm the retention period on the Council's website once known.
- 9.4 The Council will only share data with other areas of the Council as required to administer the Blackpool Business Recovery Fund, or to meet government post event assurance requirements. Data will not be shared with any other external agencies.

10.0 Fraud

- 10.1 Where an applicant falsely applies for a grant payment or where they provide false information, makes false representation, or deliberately withhold information in order to gain a grant, prosecutions will be considered under the Fraud Act 2006.

APPENDIX 1: BBRF ROUND 2 – ELIGIBLE BUSINESS SECTORS

| Business Sectors | Property Status | Exclusions | Qualifying Criteria & Evidence |
|--|---|--|---|
| <p><u>Category 1 – Hospitality & Retail Sector</u></p> <p><i>Hospitality</i></p> <ul style="list-style-type: none"> • Cafes • Restaurants <p><i>Retail</i></p> <ul style="list-style-type: none"> • Takeaways, sandwich shops, bakeries (day time trade only) • Local Convenience stores • Travel Trade (retail or commercial sales) • Market traders (with a current lease) • Non rateable kiosks in Hounds Hill Centre | <ul style="list-style-type: none"> • Non ratepayers • Ratepaying & non ratepaying businesses. | <ul style="list-style-type: none"> • In receipt of LRSG grant • National chains • In receipt of LRSG grant • National chains – sole franchises may be eligible | <ul style="list-style-type: none"> • Current lease required if non ratepayer • Takeaways must demonstrate day time trade only • Can demonstrate a decline in sales of at least 25% due to the impact of local restrictions (over months, not weeks) • Management accounts may be required. • Current lease required if non ratepayer |
| <p><u>Category 2 – Accommodation Sector</u></p> <ul style="list-style-type: none"> • Larger hotels – rateable value of 51k and above. • B&Bs who pay Council Tax rather than business rates. | <ul style="list-style-type: none"> • Ratepaying businesses • Council Tax payers | <ul style="list-style-type: none"> • National chains • See appendix 2 eligible sectors. | <ul style="list-style-type: none"> • Businesses who have not received a BBRF grant to date, AND those who wish to apply for second grant against an additional property (if applicable). • Current Council Tax reference |
| <p><u>Category 3 – Leisure Sector</u></p> <ul style="list-style-type: none"> • Larger businesses (with a rateable value of £51k or above) in a range of leisure sectors who rely on visitor footfall including amusement arcades, bowling alleys, the model village, piers, trampoline parks, Go Kart rinks, independent theatres, cinemas and other tourist attractions. • Sports stadia | <ul style="list-style-type: none"> • Ratepaying businesses. • Ratepaying businesses. | | <ul style="list-style-type: none"> • Businesses who have not received a BBRF grant to date, AND those who wish to apply for second grant against an additional property (if applicable). |

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| <p><u>Category 3 – Leisure Sector (continued...)</u></p> <ul style="list-style-type: none"> • Tourist concessions such as on the piers and the Golden Mile; • Independent cinemas within another specialist property; • Specialist local recruitment agencies providing staffing for hospitality events. | <ul style="list-style-type: none"> • Non ratepayers | | <ul style="list-style-type: none"> • Lease in place for the 2021 season (where applicable) |
| <p><u>Category 4 - Supply Chain Businesses (all rateable values)</u></p> <p>Supply chain businesses such as:</p> <ul style="list-style-type: none"> • industrial laundries, • catering suppliers, • specialist food manufacturers • event companies | <ul style="list-style-type: none"> • Ratepaying businesses only. • Ratepaying & non ratepaying businesses. | <ul style="list-style-type: none"> • In receipt of LRSg grant • In receipt of a BBRF round 1 grant of £10,000 or more | <ul style="list-style-type: none"> • Evidence of strong links to Blackpool tourism sector required. • Can demonstrate a decline in sales of at least 25% due to the impact of local restrictions (over months, not weeks) • Business to business (B2B) only • Note: Smaller supply chain businesses with a rateable value of £15,000 or less are eligible under BBRF2. |
| <p><u>Category 5 – Transport Sector</u></p> <ul style="list-style-type: none"> • Coach operators (linked to local or national tourism sector) • Driving instructors • Taxis – licensed taxi drivers only | <ul style="list-style-type: none"> • Ratepaying or non ratepaying • Blackpool address | | <ul style="list-style-type: none"> • Current lease for non-ratepayer/proof of fixed ongoing property costs • ADI registered – trading pre Sep 2020 • Current Blackpool taxi driver licence |
| <p><u>Category 6 – Creative Industries</u></p> <ul style="list-style-type: none"> • Creative businesses: <ul style="list-style-type: none"> ○ Advertising, ○ Architecture ○ Arts & antiques market ○ Crafts: textiles, ceramics, wood, metal, glass, leather ○ Design ○ Fashion | <ul style="list-style-type: none"> • Ratepaying or non ratepaying businesses (sole traders/freelancers) | <ul style="list-style-type: none"> • In receipt of LRSg grant • In receipt of Cultural Recovery Fund Grant | <ul style="list-style-type: none"> • Able to demonstrate a decline in sales of at least 25% due to the impact of local restrictions (over months, not weeks) • OR evidence of cancelled commissions due to local restrictions |

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| <ul style="list-style-type: none"> ○ Film & video: production, distribution, exhibition ○ Interactive leisure software ○ Music: live and recorded music, music publishing, recording studios ○ Performing arts, theatre, dance, ballet, musicals, etc ○ Publishing: books, newspapers, magazines, electronic ○ Software and computer services ○ TV and radio broadcasting | | | <ul style="list-style-type: none"> • Self-employed will need to provide a Unique Tax Reference number (HMRC); business accounts may be requested • Clear plans to continue professional practice/business in 2021 including any new commissioned projects/work |
| <p><u>Category 7 – Other Eligible Businesses</u></p> <ul style="list-style-type: none"> • Kennels and catteries • Stables (beach donkeys only) | <ul style="list-style-type: none"> • Ratepaying & non-ratepaying businesses. | <ul style="list-style-type: none"> • In receipt of LRSg grant | <ul style="list-style-type: none"> • Valid lease for non-ratepayer • Does not apply to general livery stables & riding schools |

APPENDIX 2: BBRF2 DETAILED ELIGIBLE SECTORS

| ELIGIBLE | INELIGIBLE |
|---|---|
| Category 1: Hospitality & Retail Cafes Ice Cream Parlours Restaurants Take away, sandwich shops, bakeries (day time trade only) Local Convenience stores (not national chains) Travel Trade (retail or commercial sales) Market traders Non rateable kiosks in Hounds Hill Centre | Drive-In/Thru Restaurants Food Courts Night Clubs & Discotheques Public Houses/Pub Restaurants Restaurants (national chain) Roadside Restaurants Takeaway Food Outlet (day and evening focus) Wine Bars |
| Category 2: Accommodation Sector Larger Hotels (local, independent) B&B's paying Council Tax | Guest & Boarding Houses (eligible for LRSG) AirBnB properties Caravan Parks & Site Chalet Parks Hostels Hotels (national chain) Self-catering holiday apartments (eligible for LRSG) |
| Category 3: Leisure Amusement Arcades Amusement/theme parks Bowling Alleys Go Kart Rinks Model Villages Pleasure Piers Theatres Tourist Attractions Trampoline Parks Independent Cinema (local) Recruitment agencies (local - must evidence a direct link with Blackpool's visitor economy) Tourist Concessions in larger attractions Sports stadia | Aquarium Bingo Halls Casinos and Gambling Clubs Cinemas (national chain) Clubhouses/golf courses Clubs & Institutions Exhibition Hall & Premises Gyms & community sports organisations Health Clubs Ice Rinks Roller Skating Rings Soft play areas or inflatables Village Halls, Scout & Cadet Huts Zoos |
| Category 4: Hospitality & Leisure Supply Chain (Business to Business (B2B)) Wholesale Catering Suppliers Event companies Industrial Laundries Specialist food manufacturers e.g. rock manufacture Recruitment agencies (local) (examples only - must evidence a direct link with Blackpool's visitor economy) | Retail, Construction, General Manufacturing, Professional Services (e.g. legal, financial, HR) Office Supplies, Recruitment Agencies (national) |
| Category 5 – Transport Sector Coach operators (link to local or national tourism sector) Driving instructors Taxis – licensed taxi drivers only | National coach operators |

| ELIGIBLE | INELIGIBLE |
|---|---|
| Category 6 – Creative Industries Advertising Architecture Arts & antiques market Crafts: textiles, ceramics, wood, metal, glass, leather Design Fashion Film & video: production, distribution, exhibition Interactive leisure software Music: live and recorded music, music publishing, recording studios Performing arts, theatre, dance, ballet, musicals etc Publishing: books, newspapers, magazines, electronic Software and computer services TV and radio broadcasting | |
| Category 7 – Other Eligible Business Sectors Kennels and catteries Stables (beach donkeys only) | General livery stables & riding schools |

APPENDIX 3: BBRF2 GRANT LEVELS

| Payment Categories | Rateable Value (or Equivalent *) | BBRF2 Grant Level |
|--|--|--|
| Small | £15,000 or under | £5,000 |
| Medium | Over £15,000 but less than £51,000 | £7,500 |
| Large (sub categories) | £51,000 and above but less than £100,000 £100,000 and above but less than £150,000 £150,000 and above but less than £200,000 £200,000 and above but less than £250,000 £250,000 and above but less than £300,000 £300,000 and above but less than £350,000 £350,000 and above but less than £400,000 £400,000 and above but less than £450,000 £450,000 and above but less than £500,000 £500,000 and above | <i>Up to</i> £10,000 £20,000 £30,000 £40,000 £50,000 £60,000 £70,000 £80,000 £90,000 Subsidy limit |
| Taxi Drivers** | Not applicable | £150 (or £225 – see guidance) |
| No fixed property costs *** | Not applicable | £2,500 |
| <p>* Equivalent means current lease/annual rental payable. It does not include other overhead costs such as utilities and insurance.</p> <p>**If taxi drivers did not claim a £75 grant under BBRF round 1, they will be able to claim a £225 grant. This is the grant equivalent of a 3-year driver licence fee.</p> <p>***Applies to self-employed with no fixed commercial property costs i.e. working from home.</p> | | |