

Local Authority Discretionary Grants Fund Policy

1. General explanation

- 1.1 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.
- 1.2 Announced on 1 May 2020, the Local Authority Discretionary Grants Fund is an additional fund that is aimed at small businesses that were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund.

2. Who is eligible for the relief?

- 2.1 Local Authority Discretionary Grants Fund payments are to be primarily and predominantly aimed at:
- small and micro businesses;
 - 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;
 - businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.
- 2.2 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 50.
- 2.3 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 10.
- 2.4 In addition to the above, Local Authorities are asked to give priority to the following types of businesses:
- Small businesses in shared offices or other flexible workspaces. Examples could include units in industrial parks, science parks and incubators which do not have their own business rates assessment;
 - Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;
 - Bed and Breakfasts which pay Council Tax instead of business rates; and
 - Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief (SBR) or Rural Rate Relief.
- 2.5 The list set out above is not intended to be exhaustive but is intended to guide local authorities as to the types of business that the government considers should be a priority for the scheme. Authorities will determine for themselves whether particular situations not listed are broadly similar in nature to those above and, if so, whether they should be eligible for grants from this discretionary fund.

- 2.6 This grant funding is for businesses that are not eligible for other support schemes. Businesses which have received cash grants from any central government COVID-related scheme are ineligible for funding from the Discretionary Grants Fund, apart from the Self Employed Income Support 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 Fund.
- 2.7 Businesses who have applied for the Coronavirus Job Retention Scheme are eligible to apply for this scheme.
- 2.8 Only businesses which were trading on 11 March 2020 are eligible for this scheme. Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
- 2.9 You are not eligible to apply for this grant if:
- you/ your business is based at home;
 - you operate a mobile businesses;
 - your business is based mainly on online trade/sales;
 - You are a private landlord renting out a property, including properties let out as a HMO

3. How much relief will be available?

- 3.1 Funding will be capped at a maximum of £10,000 per eligible business, or any amount under £10,000. The value of the payment to be made to a business is at the discretion of the local authority.
- 3.2 The payment will be per business/sole trader and we will not make a separate payment for each hereditament.

4. Application Process

- 4.1 To apply for this discretionary fund you must first meet the criteria set out in section 2. If you do not fit these criteria then your application will be rejected.
- 4.2 Initial applications will be opened up from Thursday 28 May at 9am to Wednesday 3 June at 5pm. If the criteria shown above in section 2 has been met, we will pay one discretionary grant payment of up to £10,000.
- 4.3 Applications will reopen from Friday 26 June at 9am to Thursday 9 July at 4pm. If the criteria shown above in section 2 has been met, we will pay one discretionary grant payment of up to £10,000.
- 4.4 Please note whilst applications will be open for all businesses to apply the assessment process will consider the priority businesses outlined above before other businesses are considered.

5. State Aid

- 5.1 Payments of up to £10,000 can be provided under the De Minimis rules, meaning applicants can receive up to €200,000 of aid within a three year period.

6. Fraud

- 6.1 The Government will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.