



Local Authority Discretionary Grants Fund

Application Guide

Contents

Introduction	Page 1
How will the grants be provided?	Page 1
How much funding will be provided to businesses?	Page 1
Who will benefit from these schemes?	Page 2
Who can apply?	Page 3
How can I apply?	Page 3
Grant Assessment and Awards	Page 4
Are these grants subject to Tax?	Page 5
State Aid	Page 5

Introduction

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.

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

Applications for the funding will open on 1st June 2020 and close on 3rd July 2020.

How will the grants be provided?

Local authorities will be responsible for delivering grants to eligible businesses.

How much funding will be provided to businesses?

There will be 5 levels of grant awards:

- £1,000
- £2,500
- £5,000
- £10,000
- £25,000

The amount of grant you are awarded will be based on the information provided in the application form and supporting documents. In taking decisions on the appropriate level of grant, local authorities will take into account the level of fixed costs faced by the business, the number of employees, whether businesses have had to close completely and are unable to trade Online and the consequent scale of impact of COVID-19 losses.

Who will benefit from these schemes?

These grants are aimed at:

- Small and micro businesses (as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006).
- 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.

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

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

Local authorities have been requested by central government to prioritise the following types of businesses for grants from within this funding pot:

- **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 & 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 or Rural Rate Relief.

In addition across Northern Devon we are able to fund the following:

- Manufacturing
- Businesses who operate in the tourism sector or whose main customer base of those in the retail hospitality or leisure industry
- Creative industries including digital
- Food and drink

Who can apply?

This grant funding is for businesses that are not eligible for other support schemes.

Businesses which are eligible for cash grants from any central government COVID related Scheme (apart from the Self-Employment Income Support Scheme (SEISS)) are ineligible for funding from the Discretionary Grants Fund. 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

Businesses who have applied for the Coronavirus Job Retention Scheme are eligible to apply for this scheme.

Businesses who are eligible for the Self-Employed Income support scheme (SEISS) are eligible to apply for this scheme as well

Businesses that apply for the Discretionary Grant Scheme can still apply for [coronavirus-related loans](#) if they're eligible.

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.

How can I apply?

You will need to complete the online application form on the Torridge website.

Please note you cannot save this application and return to it. Before completing this application you will need to be able to upload the following support documents so will need to have these available otherwise you will not be able to complete the online application process.

1. Bank Statements from February – May 2020 to show evidence of trading income – this account needs to be the payment account used by the trading business (i.e. it does not have to be a business account if self employed)

2. Latest Set of Accounts (if applicable to your business) or **Latest HMRC Self-Assessment**

3. Other documents (which you feel may support your application such as a cash flow forecast)

In addition you will also need to provide where applicable the following:

(This will be used for verification purposes / due diligence checks).

- UTR (Unique Tax Reference) number if self employed –Company Number (if applicable)
- Charity Number (if applicable)
- VAT number (if applicable)
- Business Rates Account Number (if applicable)
- Council Tax Reference Number (if applicable)

If employing staff you will need to be able to provide the following:

- Number of employees
- Number of employees that are currently furloughed (this does not affect eligibility for the grant).

You will also need to be able to provide the following financial information:

Confirmation of the fixed property expenses that the business incurs (monthly average – if annual costs divide by 12 months).

- Rent / Tolls (service charges) / Mortgage
- Water / Sewerage
- Gas / Electric
- Telephone / Broadband
- Business Insurance
- Trade Waste
- Others – please specify the fixed cost and the average monthly amount

Confirmation of your average monthly income prior to April 2020 and average income since April 2020. If there is any reduction whether this is directly as a result of COVID19.

In addition to confirmation of your average income and estimated losses there are then specific questions on the form depending on what business type you are applying under.

Market Traders – you will need to be able to answer types of markets and frequency of trading etc.

B&BS – you will need to provide the name and details of your business premises, size of accommodation and your occupancy rates.

Tenants of Shared Workspaces – you will need to provide your address and type of tenancy agreement.

Local Priority Sector businesses – You will be required to complete the drop down box to indicate which of the local priority area your business fits in including:

- Manufacturing
- Businesses whose main/sole customer base are those in the retail, hospitality or leisure industry
- Creative industries including digital
- Food and drink

Bank Details – You will need to complete your bank details in order that any payments can be made and this includes:

Bank Name, Sort Code, Account Number, confirm whether it is a personal or business account.

Grant Assessment and Awards

Grants will be considered in three equal tranches. All applications in the first tranche will be scored according to a shared matrix and paid in accordance with that system, incorporating individual authority weighting/prioritisation until the first tranche is spent. Businesses unsuccessful in the first tranche will automatically be entered into the second tranche alongside any other applications received. The same prioritisation process will be undertaken to the end of the third tranche, at which point the funding will have been spent.

Payments and Awards

Once you have submitted your application and supporting documents you will be sent a copy of your application form for reference. Your grant will be assessed and you will be notified if your application has been successful. It is critical that you provide the correct bank details for the payment to be processed as promptly and possible and if State Aid applies (See Sate Aid Section of guidance) to your application you will be required to sign and return your State Aid declaration prior to any grant payment being issued. As soon as your grant is approved we will endeavour to process your payment as quickly as possible through our systems.

Appeal

There is no right of appeal to the Council. The decisions of the Council on eligibility, priority, need and grant amount are final and there is no process by which challenges to these decisions will be considered.

Are these grants subject to Tax?

Grant income received by a business is taxable therefore funding paid under the Local Authority Discretionary Grants Fund will be subject to tax.

Only businesses which make an overall profit once grant income is included will be subject to tax.

State Aid

What is State Aid?

State Aid refers to any public money being used to provide assistance to organisations. The use of State Aid is regulated and monitored to ensure that this State money is not used to distort competition and trade in the European Union. State aid rules can (among other things) apply to the following:

- grants
- loans
- tax breaks, including enhanced capital allowances
- the use or sale of a state asset for free or at less than market price

Does this apply to my business?

It is up to each individual business to ensure that they are responsible for declaring any State Aid they have received. The rules can apply to funding given to charities, public authorities and other non-profit making bodies where they are involved in commercial activities.

In the UK, small and medium-sized enterprises (SMEs) can receive a maximum of €200,000 from public money (State Aid) within any 3 consecutive financial years. Any less than this amount is considered De Minimis (meaning it would not give an organisation any kind of unfair advantage).

If you already get state aid

The Discretionary Grants Fund counts towards state aid.

Payments of £10,000 or less count towards the total De Minimis state aid you're allowed to get over a 3 year period - €200,000. If you have reached that threshold, you may still be eligible for funding under the [COVID-19 Temporary Framework](#).

Payments of £25,000 count as state aid under the COVID-19 Temporary Framework. The limit for the framework is €800,000.

We will ask you to complete a declaration confirming that:

- you will not exceed the relevant state aid threshold
- you were not an '[undertaking in difficulty](#)' on 31 December 2019. This applies only to the COVID-19 Temporary Framework

If you are aware that you have received state aid in the last 3 years you need to answer Yes to this question. If answering Yes then you will also need to indicate whether you have received over €200,000 in the last 3 years. This does not make you ineligible for the grant it will mean that the state aid is not treated under De Minimis rules and is treated under the COVID 19 temporary Framework.