

Discretionary Grants Fund (phase two) Applicant Guidance for Local Businesses

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1) About this guidance

This guidance document sets out how South Holland District Council (SHDC) will administer a Discretionary Grant scheme aimed at supporting businesses that have suffered financially as a result of the COVID-19 pandemic.

This most recent grant programme, a second iteration of an early discretionary grant fund, is targeted specifically at businesses that have, to date, been unable to access other COVID-19 related support. This guidance specifically looks to explain:

- Which businesses can and cannot apply for the discretionary grant funding?
- What level of grant funding is available?
- What businesses will need to do to submit an application
- How applications will be assessed and decisions on grant awards made
- The proposed timescales for administering the grant funding
- What to do if a business wishes to appeal a decision?
- It also provides answers to some of the more Frequently Asked Questions.

2) Which businesses can and cannot apply for discretionary grant funding?

There are only five criteria that must be satisfied before a business can submit a grant application. These are mandatory requirements that must all be met before support can be considered.

Mandatory eligibility criteria:

1. Businesses must be based in the South Holland district (Limited companies incorporated or trading predominantly in South Holland, Self Employed individuals residing in the district)
2. Businesses must prove that they were trading on 11 March 2020
3. Businesses must not be insolvent or in administration
4. Businesses must have a business bank account and provide a bank statement which covers the period of 11 March 2020
5. Businesses must not have accessed any other central government COVID-19 related grants. Such grant schemes include, but are not limited to:
 - Small Business Grant Fund
 - Retail, Hospitality and Leisure Grant
 - South Holland District Council's initial Discretionary Grant
 - Self-Employment Income Support Scheme
 - 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 or the Statutory Sick Pay Scheme are eligible to apply.

3) Which business types do we expect to see applying?

Previous grant programmes administered by SHDC have focused on supporting businesses with fixed property costs (either through business rates related grant funds, such as the Small Business or Retail, Hospitality and Leisure grants or through SHDC's initial Discretionary Grant fund).

To qualify for grant support under this particular programme, businesses do not have to have fixed ongoing property related costs. They simply need to prove they were trading on the 11 March 2020 and that they have suffered financial loss as a result of the pandemic.

Specifically, sole traders and the self-employed who work from homes within the district can now apply for support.

We will also accept mobile businesses if the owner of the business resides within the district.

4) What level of Grant Funding is available?

Whilst funds exist, qualifying businesses will receive fixed grants of £5,000.

5) What businesses will need to do to submit an application

An online application process will be launched on Monday 3 August 2020 at 10am.

Businesses visiting www.sholland.gov.uk/GrantSupport will first be asked to confirm their eligibility by addressing all five of the mandatory criteria, as noted in point 2 of this guidance.

Failure to meet any one of the eligibility requirements will prevent the business progressing to the full application stage.

Applicants will be asked to:

- describe how the COVID lockdown has affected their business, outlining the impact that the virus has had on income/sales
- confirm that they have not received any other central government COVID related grant funding, including Self Employed Income Support
- submit their business bank statement which covers the period of 11 March 2020. This provides the Council with two vital pieces of information:
 - sort codes and account numbers for authorised payments, and
 - proof that the business was in fact trading on the 11 March 2020.

Businesses that do not have business bank accounts will not be eligible to apply.

The evidence requirements set out above are the minimum requirements and the Council reserves the right to request additional information if it feels it is appropriate to complete its assessment.

In submitting the online application form, businesses will be asked to self-certify that they are a Small or Medium business, in compliance with the definitions and that they have not been in receipt of other COVID-19 grant funding.

Businesses will need to declare that in receiving a grant they comply with State Aid regulations.

Self-employed individuals will also need to certify that their business provides their main source of income.

Any applicant caught falsifying information to secure a grant may face prosecution and any funding issued may be recovered from them.

The Council reserves the right to reclaim any grant paid in error.

6) How applications will be assessed and decisions on grant awards made

A simple assessment of each eligible application will be undertaken by a dedicated team within the council.

This team will check and assess the following information:

- the location of the business, confirming they are incorporated or reside within South Holland
- the existence of an active business bank account providing proof that the business was trading on 11 March 2020
- the bank payment details within the application form will be checked against bank statements
- that the business has suffered financially as a result of the COVID-19 pandemic
- the business is solvent and not in administration (due diligence reports will be used to check information held at Companies House for incorporated businesses)
- that the business has not already received a COVID-19 related grant or that the self-employed business owner has not received Self Employed Income Support
- that self-employed individuals are reliant on their business for their main source of income.

All decisions will be taken at discretion of the council and are non-contestable.

7) The proposed timescales for administering the grant funding

On the basis that the government has set out a clear expectation that local authorities start to make payments as soon as possible, and the need to ensure that businesses in need are provided with financial support as quickly as possible, a 'first come, first served' administered approach is being adopted.

Under this approach, applications will be assessed and paid in the order in which they are received and assessed, enabling payments to commence as soon as applications are received and reviewed.

All decisions made by the Council shall be notified to the applicant either in writing or by email.

However, there is a recognition that operating on a 'first come, first served' approach may mean that businesses that apply later than others may not receive a grant if the funding is over-subscribed. Similarly, if there are delays in submitting relevant information it is likely that businesses will be unsuccessful in their application.

As and when we reach this point the online application process will be closed.

8) What to do if a business wishes to appeal a decision?

By adopting what we believe is an open and transparent approach with clear eligibility and assessment criteria we hope to eliminate inconsistencies in award decisions.

It is important that businesses read this Applicant Guidance fully and submit complete applications, including all relevant bank statements, so as to not delay the assessment process.

Applications that fail to submit necessary information will not be assessed.

As the scheme is being administered on a 'first come, first served' basis, businesses will be unable to submit applications once the funds are full committed.

All decisions will be taken at discretion of the council and are non-contestable.

The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.

9) Answers to Frequently Asked Questions

1. **Can a business receive more than one grant under this scheme? (for example, if based across multiple properties)**
 No, businesses can only receive one discretionary grant.
2. **A business needs to be based in South Holland to be eligible. What is the definition of 'based'?**
 The business needs to either be incorporated or resident within the district to be eligible for support.
3. **Is there scope to provide grants to businesses without premises costs?**
 Yes, unlike previous schemes South Holland District Council will consider businesses with no fixed on-going property related costs.
4. **If a newly formed business was considering starting prior to 11 March 2020 but never got round to opening/trading would it be eligible for this fund?**
 The mandatory criteria requires that a business was trading as of 11 March 2020. Grant payments can only be paid to firms that meet the mandatory requirements.
5. **Are businesses that have accessed loan or deferral schemes (for example, Deferral of VAT, the Coronavirus Business Interruption Loan Scheme) eligible for grants under this scheme?**
 Yes, it is only where businesses have received COVID-19 related grant funding from Government that they are ineligible for support under this scheme. Businesses receiving Job retention support for furloughed workers are eligible to apply but those receiving Self Employed Income Support are ineligible.
6. **Where an owner has two limited businesses can they apply for a discretionary grant for both businesses?**
 Yes, as separate Limited companies they potentially both could be eligible.
7. **Are self-catering properties eligible to apply?**
 Yes, if they meet the five mandatory criteria.
8. **Will the discretionary grant be subject to tax?**
 National guidance states that 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.
9. **How is the Council minimising false claims and fraud?**
 Neither the Council, nor the Government will accept deliberate manipulation of the scheme and fraud. Any applicant caught falsifying information to gain additional grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them. Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government. The Council reserves the right to reclaim any grant paid in error.
10. **The mandatory criteria states that businesses must be trading on the 11 March 2020 to be eligible for a Discretionary Grant. How are we defining 'trading'?**
 Businesses must be able to evidence they were income generating by the 11 March 2020. Preparing to open will not be classified as 'trading'. Bank statements will be requested to prove the business was income generating by the 11 March 2020. The Council will require proof that the business was trading on 11 March 2020 and was not dormant, subject to a winding up order, in administration or subject to striking off.

11. Are Discretionary Grants subject to State Aid?

Any Discretionary Grant is given as aid under the Temporary Framework for State Aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020. This means that businesses receiving support under these provisions can receive up to €800,000 in aid over three years (being the current and the previous two years).

Any grant awarded is required to comply with the EU law on State Aid. This will involve the applicant declaring to the Council if they have received any other de minimis State aid or aid provided under the EU Commission COVID-19 Temporary Framework.

If the applicant has not received any other de minimis State aid, they are not required to make that declaration to the Council or to complete any declaration statement.

12. Is there an appeals process if business disagree with the Council's ruling?

The final decision as to whether to pay a grant will be made by the council.

All decisions will be taken at discretion of the council and are non-contestable.

The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.