



## **Covid-19 Discretionary Business Grant Programme**

### **Policy and Guidance - 27 May 2020**

#### **Introduction**

1. This policy and guidance sets out the qualifying national and local criteria and supporting evidence required for those intending to apply to the Council's *Covid-19 Discretionary Business Grants Programme*.
2. This programme is aligned with the Government's Local Authority Discretionary Grants Fund guidance issued on 13<sup>th</sup> May and updated on 23<sup>rd</sup> May 2020. The latest Guidance can be found [here](#).
3. This is an additional level of support to the Small Business Grant Fund (SBGF) and the Retail Hospitality and Leisure Grant Fund (RHLGF).
4. The Council's *Covid-19 Discretionary Business Grants Programme* is predominantly aimed at small businesses with relatively high fixed property-related costs, experiencing a significant fall in income due to Covid-19 impacts, and ineligible to apply for support from the SBGF or the RHLGF.

#### **Scope and Eligibility**

5. Small and micro-businesses are the primary focus of the Council's *Covid-19 Discretionary Business Grants Programme*. The guidance issued to the Council by the Government identifies the following businesses as priorities for funding:
  - i. 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;
  - ii. Businesses with relatively high fixed property-related costs;
  - iii. Businesses which can evidence they have experienced a significant fall in income due to the COVID-19 pandemic;
  - iv. Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000;
  - v. Small businesses in shared or other flexible workspaces, including mills and units in industrial or business parks which do not have their own Business Rates assessment;
  - vi. Regular market traders with fixed building costs, such as rent, who do not have their own Business Rates assessment;
  - vii. Bed & Breakfasts which pay Council Tax instead of Business Rates.
  - viii. Charity properties in receipt of charitable business rates relief which



would otherwise have been eligible for Small Business Rates Relief (including a rateable value of less than £15,000)

6. Given the importance and value of the manufacturing and production sector to the local economy, the Council is also extending the scope of this programme to include applications from small manufacturing and production businesses. The Government's guidance cites that it will be at the local authority's discretion as to which types of business are most relevant to their local economy.
7. A small business, as defined by the Companies Act 2006, must satisfy two or more of the following requirements in a year:
  - i. A turnover of not more than £10.2m;
  - ii. A balance sheet total of not more than £5.1m;
  - iii. A headcount of employees of less than 50.
8. A micro-business, as defined by the Companies Act 2006, must satisfy two or more of the following requirements in a year:
  - i. A turnover of not more than £632,000;
  - ii. A balance sheet total of not more than £316,000;
  - iii. A headcount of employees of not more than 10.
9. Eligible businesses applying to the Council's *Covid-19 Discretionary Business Grant Programme* must be able to evidence that the business was trading on the 11<sup>th</sup> March 2020.
10. This grant programme is for businesses that are not eligible for any other Covid-19 Government cash grants. These include but are not limited to the SBGF or the RHLGF as set out in 3 above.
11. Businesses who have applied to the Government's Covid-19 Job Retention and the Self-Employment Income Support Schemes are eligible to apply for this grant.
12. Companies that are in administration, insolvent or where a striking-off notice has been made are not eligible to apply for this grant.

### **The Council's Approach**

13. The Council expects local business demand for grant support from this programme to outstrip the funding made available by Government.
14. To help manage and assess the overall level of business demand for grant support, the Council intends to establish a 14 day window for applications.



15. ***The Council's Covid-19 Discretionary Business Support Programme will be open for applications via the Council's website from 9am on Monday, 1<sup>st</sup> June and close on midnight Sunday, 14<sup>th</sup> June.***
16. Grant applications must be made online via the [Council's website](#).
17. The Council expects to make grant payments from Friday, 19<sup>th</sup> June. Approved payments will be made to business accounts by BACS transfer.
18. A further call for applications will be announced by the Council if funds are still available and/or Government provides additional funding support for this programme.
19. The Council will not approve or make grant payment to a business that has already received a grant or partial grant passed on by a landlord under one of the schemes mentioned in 10 above.
20. Businesses that have not previously been able to apply for a grant in their own right as they do not have a separate rating assessment, can now apply to this programme if they meet the eligibility criteria set out in this guidance.
21. The Council is only able to award one of three financial values - £25,000, £10,000 or a sum less than £10,000. The maximum grant available is £25,000. This will only be awarded in exceptional circumstances. It is expected that most grant payments will be under £10,000.
22. The Council has full discretion in determining grant payment levels below £10,000. The Council's approach to setting grant payment levels below £10,000 will be finalised once the overall level of business demand is assessed during the application window.
23. Only in exceptional circumstances will consideration be given to grant funding requests out with the parameters set out in this guidance. The Council also reserves the right to vary the terms of the programme at any time, and without notice, should it be necessary to do so.

### **Evidence Requirements**

24. In order for the application to be considered, the Council will require businesses to evidence and declare that they meet the eligibility criteria and priorities set out in this guidance. Applicants will need to provide:
  - i. Evidence of property arrangements, including a signed lease or rental agreement or mortgage agreement.
  - ii. Evidence of actual property costs, including rent, Business Rates, mortgage and insurance payments. This should take



the form of business bank statements showing that payments have actually been made.

- iii. Evidence of a substantial loss in income due to Covid-19 impacts. This is likely to be in the form of the latest available annual accounts and/or tax return, plus bank statements covering the period 1<sup>st</sup> January 2020 to 31<sup>st</sup> May 2020.
- iv. Evidence of complying with the Government's definition of a small or micro-business.
- v. Confirmation that the business has not received any grant under the support measures referenced in 10 above.
- vi. Confirmation of State Aid compliance.

### **State Aid and Other Matters**

25. There is a requirement for all grants made under this programme to be State Aid compliant. For further information please review the Government's guidance, specifically pages 9 and 10.
26. 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.
27. The Council and Government will not accept any deliberate manipulation or fraud. 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.
28. The final part of the application form is the personal declaration. At the start of the application process, businesses who are applying for a discretionary grant will be required to declare that they have read and understood the Guidance document. The declaration will confirm that they agree to abide with other obligations, including those set out at 25 and 27 above.
29. The Council does not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving grant payments under this programme.
30. Any grants awarded are discretionary and the Council's decision will be final.
31. Enquiries about this programme can be emailed to [businessgrowth@blackburn.gov.uk](mailto:businessgrowth@blackburn.gov.uk)