

Appendix A Discretionary Grant Fund

Guidance for applications to Peterborough City Council Local Authority Discretionary Grants Fund

1. This guidance is intended to support businesses that are based within the administrative area of Peterborough City Council in applying to the Council for a grant payment from the Local Authority Discretionary Grants fund. This fund was announced by Central Government on 1 May 2020.

2. This document sets out the criteria under which businesses will qualify to make an application to the Local Authority Discretionary Grants Fund and the evidence required to support any application. This is in accordance with intentions set out by Central Government in their guidance issued on 13 May 2020 (revised 22 May 2020).

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/887310/local-authority-discretionary-fund-la-guidance-v2.pdf

3. This fund is an additional fund to the Small Business Grant Fund (SBGF) and Retail Hospitality and Leisure Grant Fund (RHLGF) and is aimed at certain small businesses who did not qualify under those schemes. To qualify for support businesses will have relatively high ongoing fixed property-related costs, and can demonstrate that they have suffered a significant fall in income due to COVID-19.

4. The funding received in respect of this scheme is £1.47m and the Council anticipates that the demand for the discretionary grants will be greater than the amount of money we have received from Central Government. Whilst recognising that many businesses in the local area will have suffered significant impact as a result of COVID-19, the purpose of this guidance is to set out the principles that will guide the Council in which businesses it will support and identify those which it must exclude due to financial limitations.

Eligibility criteria

5. These grants are primarily and predominantly 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 loss in income due to the COVID-19 crisis;
- Businesses which occupy property, or part of a property, with a rateable value, annual rent or annual mortgage 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;

No. 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;

No. of employees: A headcount of staff of not more than 10.

6. Grants are available to businesses that were trading on 11 March 2020.
7. Companies that were in administration, are insolvent or where a striking-off notice has been made are **not** eligible for funding under this scheme.
8. The Discretionary Grant Fund will be available to those businesses incurring fixed property costs exceeding £1,250 per annum.
9. Businesses which are eligible to receive cash grants from any other Central Government COVID related scheme are not eligible for a payment from the Discretionary Grants Fund. Such grant schemes include but are not limited to:
 - Small Business Grant Fund;
 - Retail, Hospitality and Leisure Grant Fund;
 - The Fisheries Response Fund;
 - Domestic Seafood Supply Scheme (DSSS);
 - The Zoo Support Fund;
 - The Dairy Hardship Fund.

Businesses who have applied for the Coronavirus Job Retention Scheme (furloughing) or are who are eligible for the Self-Employed Income Support Scheme (SEISS) are eligible to apply for this scheme.

10. Whilst this grant fund is discretionary the Council will prioritise grant payments to those organisations who fit within the policy intentions of Central Government as detailed in parts 5 – 9 above, and who occupy the following property types:
 - Small businesses in shared offices or other flexible workspaces – no minimum overall value but a maximum allocation of 30% of total Grant - £440k;
 - Regular market traders with fixed building costs, such as rent who do not have their own business rate assessment. The Council would consider these to be traders with a current rental agreement of no less than 6 months. No minimum overall value but a maximum allocation of 30% of total Grant - £440k;
 - Bed & Breakfast accommodation which pay Council Tax instead of Business Rates. No minimum overall value but a maximum allocation of 30% of total Grant - £440k;
 - Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief. No minimum overall value but a maximum allocation of 30% of total Grant - £440k.
11. To be registered for Council Tax B&Bs must have fewer than six bed spaces. The Council would expect properties to be wholly or mainly used as guest or boarding premises; have planning permission for change of use; a fire certificate obtained when setting up the B&B and hold the relevant business insurance policy and public liability cover.
12. If funding remains after the initial allocations to those sectors in paragraph 10 it will then be allocated to businesses and charities in the following 2 areas on a 50:50 basis:
 - Businesses and charities who have supported the Council with its delivery of Coronavirus support to local communities;
 - *Businesses and charities who support and/or supply the Retail, Hospitality and Leisure sectors but who are not eligible for grant funding under those schemes.*

Exclusions

13. The list below sets out the types of property and use which the Council does not consider to be eligible businesses for the purpose of this grant fund:

- Businesses previously identified by Central Government as excluded in paragraph 16i of the extended Retail Rate Relief guidance;
- Car Parks;
- Properties used for personal use (eg personal storage);
- Businesses who occupy property with RV higher than £51,000;
- Businesses who have agreed a rent free period for their period of closure;.
- Businesses who occupy property not on the Rating list on 11 March 2020. For clarity, this will include property capable of separate valuation but not notified to the Council for assessment. These properties will not be considered shared work space;
- With the exception of B&B accommodation small businesses operating from residential properties;
- Small businesses that use virtual office addresses only.

Amount of Payment

14. The aim of the policy is to try to support as many businesses as possible whilst keeping the individual grant payments high enough that they will still provide meaningful support to those businesses.

15. In order for the Discretionary Grant Fund to benefit the maximum number of eligible small businesses it is proposed to cap the maximum grant available to £10,000.

16. The maximum grant payments that will be made are shown in the table below. These will be made in line with annual fixed property costs as follows.

Maximum Grant	Annual Property Costs
£1,000	£3,000 or below
£2,000	£3,001 - £5,000
£4,000	£5,001 - £20,000
£10,000	£20,001 - £50,999

Annual fixed costs will be defined by Rateable Value, or where a business does not have a Rateable Value the passing rent or mortgage, (property charges can include costs incurred for services charges and insurances that are contractually required by the lease agreement). The figures above are calculated to give successful, businesses on average 4 months coverage.

17. *Peterborough City Council will aim to make payments in line with the thresholds detailed in the table in part 16 of this guidance. The Council reserves the right to increase or reduce the amount available in accordance with uptake of the scheme.*

18. Businesses or charities will only be eligible for one grant irrespective of the number of properties (hereditaments) they occupy. The total grant available in these circumstances will be based on the aggregate property costs.

Application and Appeal Requirements

19. To be considered for a discretionary grant payment, local businesses and charities will be required to make an online application to the Council, and to upload copies of all requested information and evidence in support of their application. Evidence requirements are set out in Appendix 1.

20. The Council will carefully consider every application in line with the supporting information provided. There is no statutory appeal or tribunal process in respect of any decision made by the Council in respect of these discretionary payments.

21. Where an application has been rejected an appeal will only be allowed where the customer can demonstrate it was based on inaccurate information. Appeals must be received by the Council within 7 days of the decision notification. Information on how to appeal will be included with the decision notice.

Timeline for the grant scheme

22. There will be a defined timeline for receipt of applications under this scheme, applications will not be permitted after the window has closed:

- Applications open – **15/06/2020**
- Application window closed – **26/06/2020**

Additional Information

23. There is a requirement for all grants made under this scheme to be state aid compliant. Please see the further guidance on state aid on the link below. You will be required on your application to make the necessary state aid declarations. <https://www.gov.uk/guidance/state-aid>

24. The Government and the Council will not accept any deliberate manipulation of records or fraudulent attempts to obtain grant funding. Any business falsifying their records will face prosecution and any funding issued will be subject to claw back, as may any grant paid in error. Applicants will be asked to complete a declaration as part of the application process.

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

Privacy Statement

26. Peterborough City Council is processing personal information for the purposes of providing the financial support under the Discretionary Grant Fund as announced by the government. This may include personal information which allows the council to assess eligibility and undertake post award assurance and prevent fraud. We may also use information from other council systems only to assist with the eligibility and funding process. We will share some information with the Department of Business, Energy & Industrial Strategy for monitoring and reporting. You can find out more about how the council handles personal data here - <https://www.peterborough.gov.uk/council/council-data/corporate-privacy-notice>.

Appendix 1 – Evidence Requirements

The following list is not exhaustive. Other evidence will be considered where it is relevant to the application.

Information	Evidence Requirement	Guide
Payment Details	Copy of bank statement showing name, address, sort code and account number	Must match the name of the applicant. This should show evidence of rent/mortgage and property related costs being paid. This will also be used as the bank account to release payment to
Ongoing rental or mortgage costs	Copy of lease or mortgage agreement	Must show financial contribution required by the business. If a new lease agreement details of any rent holidays agreed at the commencement of the lease term must be disclosed if still in operation.
Significant fall in income due to COVID-19	Evidence of turnover / orders for April 2019 as a comparable point in time compared with those for April 2020.	If not trading at April 2019 other trading months information will be expected
All Business	Copy of last financial year's trading accounts and balance sheet	Do we want to see this or just happy for the company to make a declaration? Recommend declaration sufficient
Bed & Breakfast Accommodation	Evidence as detailed in part 11 of the guidance. Evidence showing the proportion of property costs that relates to the B&B element of the property such as floorplan of property highlighting the domestic/business parts	

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