

## **Local Authority Discretionary Grant Fund 2020**

For those companies that were ineligible for the two Treasury grants made available to Retail, Leisure and Hospitality businesses and those receiving Small Business Rate Relief, the Treasury has released an additional sum of money.

This additional fund is aimed at small businesses with ongoing fixed property-related costs that have suffered demonstrable hardship as a result of the pandemic. Eastleigh Borough Council has been allocated £969,250 for this round of funding.

Priority groups for this grant are:

1. Small businesses in shared offices or other flexible workspaces
2. Bed and breakfasts that pay council tax rather than business rates (one grant per business)
3. Regular market traders (must have a permanent structure be registered in the borough and be trading 5 days per week)
4. Small charity properties that would otherwise meet the criteria for Small Business Rates Relief or Rural Rate Relief (ie a rateable value of £1 to £14,999 and no other property)

Other eligible businesses are:

5. Any small or micro business\* that has not received any other emergency grant

In order to be awarded a grant, all applicants must:

- be trading on 11 March 2020
- have fewer than 50 employees or full-time equivalents
- not be in administration, insolvent or under notice of being struck off the Companies House register
- occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.
- not exceeded State Aid limits (see State Aid limit below)
- not be in receipt of or eligible for support from any central government COVID-related scheme such as:
  - Self-Employment Income Support Scheme
  - 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

Application process:

Businesses that have already applied unsuccessfully for a Small Business Grant or Retail, Leisure and Hospitality Grant will be assessed automatically and contacted by EBC for any additional information that may be required during the week commencing 25 May. **Please do not send another application.**

Other businesses must complete an application form whose link can be found immediately below the link to these guidelines.

The application period runs from Friday 22<sup>nd</sup> May to Friday 12<sup>th</sup> June 2020.

Businesses will be notified of any award during the week commencing 15<sup>th</sup> June and payment made BACS in the same week if possible and definitely by the end of June. Eligible businesses will receive a maximum of one grant regardless of the number of premises they have in the borough.

Assessment criteria:

Applications from groups 1-4 above will be given priority over all other applications. These grants will be awarded on a points basis that will measure the impact of Covid-19 on income and operating costs by assessing three characteristics:

- Rental or mortgage, rates, insurance and utilities related to business premises
- Number of employees
- Fall in turnover (March, April and May 2020 compared with the same period for 2018 and 2019)

Additional consideration will be given to businesses that are:

- dependent on customers that are unlikely to be trading fully before 2021
- directly or indirectly linked to the marine industry and other sectors of strategic interest to the region
- experiencing cashflow problems linked to investment in stock

The fund is limited so once it has been exhausted, there will be no further grants awarded. If there is residual funding once the first four groups have been allocated grants, businesses in group 5 will be assessed using the same points system.

*\*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*

## **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**

The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission. Eastleigh Borough Council must be satisfied that all State aid requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved COVID-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission.

Eastleigh Borough Council has discretion to make payments to eligible recipients under either the De Minimis rules or the COVID-19 Temporary Framework for UK Authorities (provided all the relevant conditions are met).

Payments of up to and including £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. Payments of up to and including £25,000 (or where the De Minimis threshold has been reached) should be paid under the COVID-19 Temporary Framework for UK Authorities.

## **Fraud**

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

All applicants' information will be shared with the Government Grants Management team to enable any fraud to be identified. All businesses will confirm this by ticking the box on the application.

## **Appeals**

There are no further appeals rights for the grant, the Council's decision is final.