



# Discretionary small business top up grants

## Guidelines

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### Introduction

1. 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 (£10,000) and the Retail, Leisure and Hospitality Grant Fund (2 grants, one of £10,000 and the other of £25,000).
2. This additional discretionary top up grant fund is aimed at small businesses with ongoing fixed property-related costs who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund.
3. The Government have published their own guidance on this at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/885011/local-authority-discretionary-grants-fund-guidance-local-government.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/885011/local-authority-discretionary-grants-fund-guidance-local-government.pdf). Whilst the Council will have discretion, they must follow specific criteria in this guidance so these local guidelines must be read as well as the Government guidelines.
4. The Council has been awarded £671,750 to allocate as discretionary top up grants. This represents 5% of the allocation previously received for the Small Business Grants fund and Retail, Hospitality and Leisure grants fund.
5. The Government are asking local authorities to prioritise businesses in shared workspaces, regular market traders that are not separately assessed for business rates, small charity properties that would meet the criteria for Small Business Rates Relief if they did not receive Charitable Relief, and bed and breakfasts that pay Council Tax rather than business rates.
6. However, local authorities may choose to make payments to other businesses based on local economic need.

### How grants will be provided

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

8. Local authorities that will be responsible for making payments to businesses and which will receive funding from Government are business rate billing authorities in England.
9. This grant scheme will offer a lifeline to businesses who are struggling to survive due to the corona virus shutdown. Local authorities should make payments as quickly as possible to support struggling businesses.

### **How much funding will be provided to businesses?**

10. Grants under the Local Authority Discretionary Grants Fund are capped at £25,000.
11. Payments of £25,000 may be made where the local authority judges that the business would have received a payment of £25,000 had they been eligible under the Retail, Hospitality and Leisure scheme, e.g. that the fixed costs are commensurate with those borne by a business with a property rateable value of over £15,000 and below £51,000.
12. The next level payment under the local authority Discretionary Grants Fund is £10,000. Payments of £10,000 may be made where the local authority judges that the business would have received a payment of £10,000 had they been eligible under the Small Business Grant Fund or the Retail, Hospitality and Leisure Scheme e.g. that the fixed costs are commensurate with those borne by a business with a property rateable value up to £15,000.
13. Local authorities have discretion to make payments of any amount under £10,000. There may be circumstances, such as providing support for micro-businesses with fixed costs, where smaller grants are awarded.
14. The level of grant awarded may be reduced if applications to the scheme are greater than resources available, and it is considered necessary to enable support to priority businesses. Grants will be based on the fixed property costs incurred by eligible businesses.

### **Who will benefit from these schemes?**

15. The Government want local authorities to exercise their local knowledge and discretion and recognise that economic need will vary across the country, so the Government are setting some national criteria for the funds but allowing local authorities to determine which cases to support within this criteria.
16. The Government suggests that local authorities may wish to consider collaborating as they design their discretionary schemes to ensure there is consistency where they are working across a functional economic area.
17. Local authorities have been asked 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 who do not have their own business rates assessment.
  - Bed & Breakfasts which pay Council Tax instead of business rates.
  - Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

18. Whilst the Government has guided local authorities as to the types of business that the Government considers should be a priority for the scheme, local authorities should determine for themselves whether particular situations not listed are broadly similar in nature to those above and, if so, whether they should be eligible for grants from this discretionary fund.
19. This scheme will support businesses which can demonstrate that they have on-going fixed property related costs and have suffered a significant fall in income due to the COVID-19 crisis and are not covered by other grant schemes.
20. Local businesses which transact a high proportion of their business in Woking will be prioritised for support through this scheme.
21. Any business qualifying for a Small Business Grant or the Retail, Leisure and Hospitality Grant is not eligible for this discretionary top up grant.

### Eligibility

22. This grant funding is for businesses that are not eligible for other support schemes. Businesses which have received cash grants from any central Government scheme 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
23. Businesses who have applied for the Coronavirus Job Retention Scheme or the Self Employed Income Support Scheme are eligible to apply for this scheme.
24. These discretionary grants can only go to:
  - 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 ongoing fixed property-related costs
  - Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis
  - Business with fewer than 50 employees (full-time equivalent)
  - Businesses that were trading on or before 11 March 2020.
25. 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.
26. 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
27. Companies that are in administration, are insolvent or where a striking off notice has been made are not eligible for funding under this scheme.

28. The discretionary pot is not intended to be used to make grants to businesses which occupy properties with significantly higher rateable values. This is because the business grants schemes have been designed to help small businesses.
29. £51,000 is the accepted threshold in the business rates system for a 'small' business, as only businesses which occupy properties with a rateable value of less than £51,000 can benefit from the small business multiplier rate. If there is no rateable value for the property the local authority must estimate the rateable value and consider if the business is below this threshold. This threshold applies across England, thus providing a straightforward existing basis which local authorities can use to issue grants.

### **Who will receive this funding?**

30. There is an application process, as the potential beneficiaries are highly unlikely to be known directly by the local authorities.
31. The Woking Borough Council application form is at [www.woking.gov.uk/discretionarygrants](http://www.woking.gov.uk/discretionarygrants). This form including the declaration must be fully completed with all the required information to be considered for a grant. Evidence of declared amounts will be required before grants are paid.
32. The application process will allow local authorities to undertake pre-payment checks to confirm eligibility and to allow each Local Authority to determine how to use its discretion in relation to the appropriate level of grant.
33. Local authorities must use their discretion in identifying the right person to receive this funding, based on their application process.
34. The Local authority must call or write to the business, stating that by accepting the grant payment, the business confirms that they are eligible for the grant scheme, including that any payments accepted will be in compliance with state aid requirements.

### **The application process**

35. There will be a closing date of Sunday 21 June 2020 (11.59 pm) for businesses to apply for this discretionary grant funding for this initial round of funding.
36. Applications will then be assessed against eligibility criteria by Officers during the Week commencing 22 June 2020.
37. Recommendations will be presented to a Grants Award Panel which will be convened as soon as possible after the applications have been assessed.
38. Successful applicants will be contacted as soon as a decision is made, and payments will be made once all necessary supporting evidence has been received.
39. If further funding is provided by the Government there will be further application rounds. Businesses that received grant funding previously will be ineligible from any further grant application.

40. We are expecting this round of grant funding to be oversubscribed so it is important all businesses applying give as much information as possible and ensure they meet the criteria.
41. As a condition of funding we will expect the business applying to sign a declaration stating that they are not committing any fraud and that they are fully complying with any state aid limits.
42. As well as meeting the criteria it is intended that the discretionary grants support local businesses whose intention it is to trade and do business in Woking.
43. The Council will also investigate if any business applying shall be liable for business rates, if not already liable, if applicable. Conditionality of funding will be dependent on the business applying being committed to this.

### **The Grant Awards Panel**

44. The Council will have a grant awards panel of the Portfolio Holder and Shadow Portfolio Holders of Finance and Economic Development to determine the final grant awards.
45. Senior officers of the Council will report to the Grant Awards Panel making recommendations and giving advice.
46. The decision of the Grant Awards Panel will be final. A business can only challenge a grant decision on a point of law through the courts.
47. All decisions of the Grant Awards Panel will be communicated by email to businesses.
48. Any business not awarded a discretionary grant can apply in any future round, should there be any.

### **Payments of grant**

49. All payments of grant will be made by a BACS transfer to the company or business nominated bank account.

### **Managing the risk of fraud**

50. Woking Borough Council will not accept deliberate manipulation and 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.