

# Discretionary Business Support Grant

## Introduction

In response to Covid-19, the government previously announced that there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors, delivered through the Small Business Grant Fund and the Retail, Leisure and Hospitality Grant Fund. Additional funding has also been made available to businesses in other sectors and self-employed individuals.

On 1<sup>st</sup> May 2020, the Secretary of State for Business, Energy and Industrial Strategy announced a discretionary grant fund for local authorities to support businesses impacted by Covid-19 in their area. The London Borough of Barnet has named this 'Discretionary Business Support Grant'.

The scheme is due to run for the 2020/21 financial year only. The level of funding being made available to Barnet-based businesses by Government is £3,270,250.

This additional fund is aimed at small businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund. The fund is intended to help cover fixed costs faced by businesses where they can demonstrate that they cannot meet these.

## Discretionary Business Support Grant Policy

### **Eligibility criteria**

In accordance with Government guidance, the London Borough of Barnet has set the following eligibility criteria. To qualify for support from this scheme, businesses must be able to demonstrate that they meet **all** of the conditions below.

- The Business must be a private enterprise trading as self-employed/sole trader, partnership or Limited Company.
- The Business must have ongoing, fixed building-related costs.
- The Business must be either a small or micro business (see below for definitions).
- The Business must have been trading on 11<sup>th</sup> March 2020.
- The Business must be able to demonstrate that it has suffered a fall in income of 50% or more due to the Covid-19 crisis.
- The Business must have a principal trading address within the London Borough of Barnet administrative area.

The London Borough of Barnet has a high proportion of small and micro businesses. To ensure that the discretionary grants are best suited to the local context and that available funding reaches more businesses, the council has limited the grant at £10,000. There are three levels of grant funding available to businesses: £10,000, £7,500 and £5,000.

Businesses can only receive a maximum of one grant, this applies even if they have multiple properties.

In addition to meeting the criteria above, eligibility for each funding level is as follows:

|                |                                                                                                                                                                                                                                                                 |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| £10,000 grants | Businesses with a Rateable Value between £15,000 and £51,000 per annum that are not eligible for other grants.<br><br><b>OR</b><br><br>Businesses that do not pay Business Rates but which have an annual rent or mortgage payment between £15,000 and £51,000. |
| £7,500 grants  | Businesses with a Rateable Value of £14,999 or less per annum that are not eligible for other grants.<br><br><b>OR</b><br><br>Businesses that do not pay Business Rates but which have an annual rent or mortgage payment between £5,000 and £14,999.           |
| £5,000 grants  | Micro businesses that do not qualify for a higher level of grant funding.                                                                                                                                                                                       |

### Definition of small and micro business

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

### Exclusions

This grant funding is for businesses that are **not eligible** for other support schemes regardless of whether or not they have applied for or received such funding. Businesses which have received cash grants from any central government Covid-19-related scheme are ineligible for funding from the Discretionary Grants Fund. This applies even where the grant eligibility is for a separate property that the business may operate out of. 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

Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.

Self-employed individuals that work primarily from home and do not have additional ongoing, fixed building-related costs outside of their residential property costs will not be eligible for funding.

Businesses that have a registered address in the London Borough of Barnet but are neither based nor trade in the borough.

Businesses that have applied for the Coronavirus Job Retention Scheme **are eligible** to apply for this scheme.

Businesses who eligible for the Self-Employed Income Support Scheme **are eligible** to apply for this scheme.

In the unlikely event the business has received a significant amount of public funding then EU State Aid limitations may apply.

### **Application Process**

Applications must be made online via the council's website and will include agreement that the applicant consents to all stipulated declarations. All applications must be supported by enough evidence to confirm that they meet the relevant criteria.

The list below provides examples of the types of evidence that will be acceptable. Please note, this list is not exhaustive and other forms of evidence will be accepted at the discretion of council officers.

Grants will only be paid when all eligibility criteria have been suitably evidenced.

| <b>Criteria</b>                                                                                                | <b>Examples of acceptable evidence</b>                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Business must be a private enterprise trading as self-employed/sole trader, partnership or Limited Company | Companies House listing<br>Confirmation of self-employed status from HMRC                                                                                          |
| The Business must have ongoing, fixed building-related costs                                                   | A copy of the lease or licence for your premises showing the premises address<br>Evidence of rental payments<br>Utility bills e.g. electricity, telephone/internet |
| The Business must be either a small or micro business                                                          | Bank account statements                                                                                                                                            |

|                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                       | <p>Payroll information</p> <p>Copy of filed accounts</p> <p>Self Assessment tax returns</p>                                                                                                                                                                                                                                                               |
| The Business must have been trading on 11th March 2020                                                                | <p>A copy of your company's February and March bank statements, showing the name, address and account details with <u>no transactions redacted</u>. This will be the account that funds are paid into.</p> <p>Invoices for the purchase of stock or services related to your business for February and March</p>                                          |
| The Business must be able to demonstrate that it has suffered a significant fall in income due to the Covid-19 crisis | <p>A copy of the businesses' accounts or a copy of your self-assessment tax return for the last year</p> <p>A copy of your most recent management accounts or trading summary showing turnover figures</p> <p>Bank Statements for at least 12 months or if you have not been trading this length of time – bank statements since you started trading.</p> |
| The Business must have a principal trading address within the London Borough of Barnet administrative area            | <p>A copy of the lease, licence or utility bills for your premises showing the address</p>                                                                                                                                                                                                                                                                |
| One form of identity documentation for the named applicant                                                            | <p>Passport</p> <p>Driver's licence</p>                                                                                                                                                                                                                                                                                                                   |

Note that a single piece of evidence may be used to demonstrate more than one criterion.

### **Determination of applications**

Applications will be considered by a dedicated review team, overseen by the Economic Development team, and a recommendation will be made to a senior officer for approval.

Any award will be at the absolute discretion of any of the following and their decision will be final.

1. Head of Business, Employment and Skills
2. Head of Finance: Exchequer
3. Deputy Chief Executive
4. Director of Finance

## **Policy review**

To ensure that the Discretionary Business Support Grant reaches those businesses most in need, this policy will be reviewed by the Director of Finance two weeks after launch, following which the council reserves the right to modify eligibility criteria and funding thresholds.

## **Combatting fraud**

In order to ensure that Discretionary Small Business Support Grant is not subject to potential abuse, all submitted applications will require a statutory declaration of truth, a statement regarding data processing and a recovery of funds statement. This declaration allows for the council, through the Corporate Anti-Fraud Team, to carry out pre-payment checks in order to give greater assurance that the funds are being claimed correctly. Furthermore, the declaration carries warnings which further allow the Council to consider taking criminal action against persons who have been found to have deliberately made false applications for the funding. It also allows for the recovery of funds which have been paid which should not have been.

## **The award**

It is intended that all applications will be processed within eight working days of receipt of all required evidence and payments will be made via BACS only.

As funding is limited, it will be awarded to eligible businesses on a first-come-first-served basis. The council cannot commit to funding eligible businesses once all available government funding has been allocated.

## **Other information**

Grant income received by a business is taxable therefore funding paid under the Local Authority Discretionary Grants Fund will be subject to tax. However, only businesses which make an overall profit once grant income is included will be subject to tax.