

Winchester City Council Local Authority Discretionary Grant Fund Policy August 2020

Introduction

Winchester City Council recognises the challenging times facing local businesses across the district that have been affected by Covid-19. Through this discretionary grant we are keen to support as many businesses and charities as is possible within the limited funds that have been made available from Government.

This Local Authority Discretionary Grant scheme is in addition to the Government's Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund set up to support businesses in response to the Covid-19. This new scheme is aimed at small businesses and charities (with under 50 employees) that were not eligible for the Small Business Grant Fund or the Retail, Hospitality & Leisure Fund; were trading on 11 March 2020 and can demonstrate significant ongoing fixed property-related costs along with a significant drop in income.

This policy sets out the eligibility and grant criteria to enable you to apply for a grant.

**Application for the discretionary grant fund will be open from
10 August 2020 until 9am 17 August 2020**

An on line application form and further information are available on the Winchester City Council website via the **Coronavirus (COVID-19)** link on the home page.

If you have any queries or questions regarding the criteria please contact:

ecodev@winchester.gov.uk

or telephone on 01962 814915.

Grant value

Winchester City Council has been awarded £1.4 million of additional funding for this discretionary grant. Section 1 of the Localism Act 2011 provides all local authorities with the powers to make these payments. It is not anticipated that further funding will be provided by central government or further grants awarded once this funding has been used.

In order to ensure that funding reaches as many eligible businesses and charities as possible the maximum grant award will be £10,000. Winchester City Council reserves the right under the discretionary powers afforded by central government, to make payments of less than £10,000.

Grant awards will be based on the level of fixed property costs as set out below. These costs must be clearly evidenced as part of the application process by dated supporting documentation which is clearly legible including associated invoices, company accounts and bank statements with the fixed costs elements clearly marked showing the nature of the cost and to whom it is payable to. Applicants will be able to upload this evidence as Word or PDF documents via the on line application form. If applicants are unable to do this they **must** provide evidence by email at the time of applying to **ecodev@winchester.gov.uk**. Failure to provide suitable documentary evidence is likely to result in a declined application.

Fixed Monthly Overheads*	Grant (max)
£175 or below	£1,250
£176 to £750	£2500
£751 to £1,500	£5,000
£1,501 to £2,500	£7,500
£2,501 or above	£10,000

* Fixed monthly overheads for the purpose of this grant only includes rent and service/facility charges, electricity, gas, water, connectivity costs (such as telephony/broadband), business insurance and in the situation of sole traders vehicle associated costs, such as leases and vehicle finance as well as equipment costs.

Eligibility priorities and criteria

Applications are sought from:

- Small businesses and charities in shared offices or other flexible workspaces. These include units in industrial parks, science parks and businesses within incubators¹ which do not have their own business rates assessment.
- Market traders with fixed building costs, such as rent, who do not have their own business rates assessment. Such traders must have a permanent structure, registered in the district and be trading three days per week within the district.
- Any guest accommodation businesses including bed and breakfast, self catering, caravan and camping, 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.
- Offering tour/travel services.
- In the leisure and hospitality sector, that have been unable to find alternative means to access customers and clients.
- Businesses and charities that:
 - That despite diversifying have still suffered significant losses or those that couldn't diversify at all by, for example, carrying out their business on line or in any other capacity. This includes sole traders and those who do not pay business rates as they work from home and who would have carried out their services in spaces which, due to Covid -19, were restricted, for example in private homes, including key trades such as plumbers, electricians, painter decorators etc.
 - In the creative and digital industries sector.
 - Located in sub-let units (for example shops, cafes and farm shops in Garden Centres).
 - That can provide evidence they had requested a separate business rates valuation but were not concluded by 11 March 2020.
 - Providing key leisure, community and cultural facilities.

All applications will be reviewed on property overheads, employee numbers and demonstrated hardship (a comparison of this year's turnover for the months of March to May with the previous two years).

¹ incubators are defined as those units where tenants are supported by an organisation designed to accelerate the growth and success of entrepreneurial companies through the provision of business support resources and services such as space, capital, coaching, common services, and networking.

We will prioritise businesses and charities:

- With more employees over those with fewer to reduce the unemployment effect if the business was to close
- That are the only type in the district or rural area, as this may have an increased impact on the local community

If your business has been able to continue trading and cover a significant amount of fixed property overheads then it is less likely that a grant will be awarded.

Businesses and charities that have applied for the Coronavirus Job Retention Scheme, and businesses and charities that are eligible for the Self-Employed Income Support Scheme (SEISS) are eligible to apply for this scheme.

Business must comply with the following criteria to be eligible for the grant:

- Be trading on 11 March 2020 and located in the Winchester District
- Be a small or micro business* with fewer than 50 employees
- Not in administration, insolvent or a striking-off notice has been made
- Occupy property, or part of a property, with a rateable value below £51,000 or in the case of a guest accommodation business, a business in a shared premises, market trader, sub-let or sole trader an annual rent or annual mortgage payments below £51,000
- Not go over state aid limits (see state aid section)
- Only one grant per business regardless of properties

Businesses excluded from scheme

Businesses which do not operate from within the Winchester District or have received cash grants from any local or central Government Covid-19 related schemes as well as businesses whose losses arise from rental income 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
- Discretionary Grant (businesses or charities who received funding in round one)

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Application process and payment

Each application received by the deadline will be assessed and scored against the grant eligibility and criteria by a grant panel. At the time the application is submitted, to enable the council to assess applications fully, **all sections must be completed with all the information you wish considered together with all the documents requested. Please note, there will not be a further opportunity to provide additional details.**

Applications should be made via the official application form and submitted by the agreed deadline.

We will contact all applicants if a grant has been awarded or declined. The council's decisions with regards to funding are discretionary and no appeals process is available.

All payments will be made via BACS (as soon as practicable) and the business must provide bank details for payment, including a bank statement.

The fund is limited. Once the fund has been used there will be no additional grants paid. A further round of applications may be offered if, following the first round of applications, the funding has not been fully utilised.

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. Winchester City Council must be satisfied that all state aid requirements have been fully met and complied with when making grant payments. In the current COVID-19 outbreak, Winchester City Council will make payments to eligible recipients under the COVID-19 Temporary Framework for UK Authorities (provided all the relevant conditions are met) and ensure compliance with any relevant reporting requirements to the EU Commission

Fraud

The council will not accept deliberate manipulation and fraud and 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.

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

* Only 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 are eligible.

To be a small business , under the Companies Act 2006, a business must satisfy two or more of the following requirements in a year –	<ul style="list-style-type: none">• 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 -	<ul style="list-style-type: none">• 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