

**WINCHESTER CITY COUNCIL DISCRETIONARY GRANTS SCHEME
(ADDITIONAL RESTRICTIONS GRANT)
HARDSHIP FUND**

ELIGIBILITY POLICY

FEBRUARY 2021

Introduction

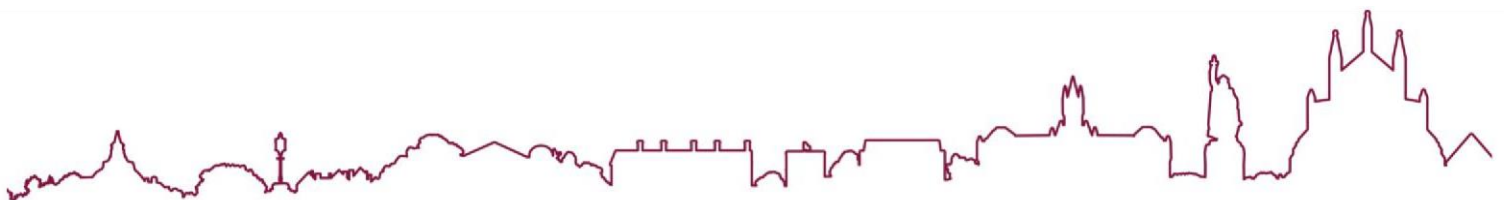
Following the announcement by the Government of additional support for Local Authorities under national and Local COVID Alert Level 3 restrictions on October 31 2020, Winchester City Council has been awarded £3.3m to help businesses and organisations impacted by these restrictions under the Additional Restrictions Grant scheme.

Winchester City Council recognises that many local businesses and organisations (referred to collectively as “organisations” throughout this policy) across the district are facing on-going challenges because of the national restrictions and that the extent of the difficulties faced are likely to be specific and varied. As it is not possible for the Council to predetermine what those difficulties might be, it is seeking to support those organisations that can present a case of need.

Winchester City Council would therefore like to hear from those organisations that despite being in receipt for COVID-19 related Government funds either directly or indirectly via grants, reliefs and loans, or because they have been ineligible for this support, **remain severely impacted and are at risk of closure.**

The Council is initially making up to £240,000 available to organisations through this Additional Restrictions Hardship Fund (referred to as “the fund” throughout this policy). This will be available until the fund has run out or ongoing government restrictions affecting businesses ability to operate normally have been lifted. This is in addition to the £1,872,885 that has been made available as part of this fund to eligible businesses impacted by national lockdown restrictions.

The fund is limited, and payments will be made on a case by case basis. The application window will remain open until the fund is spent or current national restrictions are lifted, whichever falls sooner.



Grants will range between £2,500 and £10,000 based on the business case presented. We will consider the following factors in assessing the need and hardship:

- Rateable value (if applicable)
- Number of employees
- Impact on income and related expenditure during periods of national restrictions in comparison with usual operating periods

Priority will be given to those organisations that:

- Contribute significantly to their local community
- Would be difficult to replace
- Are the only organisation offering such services locally
- Directly benefit the residents of Winchester

Eligibility criteria

Organisations completing the on-line declaration of eligibility need to indicate the type of organisation they are. These could include:

- Business, partnership or company
- Self-employed or sole trader
- Market trader
- Organisation located 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
- Located in sub-let units (for example retail outlets, cafes and farm shops in garden centres)
- Parish council
- Community organisation
- Charity

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.

Eligible organisations will have either:-

- Been instructed by the Government to close

OR

- Operate in, provide services to, or be in the supply chain of, one or more of the following sectors:
 - Non-essential retail
 - Hospitality/food and drink/guest accommodation
 - Leisure/sports
 - Attractions/events/festivals/entertainment venues
 - Performing and visual arts
 - Pre-school childcare services
 - Public sector (Parish councils only)
 - Other – the applicant will be required to define how their business operates within the above sectors
- The organisation being applied for:
 - must be based in and operate from the Winchester district. Please refer to the map of the Winchester district [here](#).
 - was actively trading on and before the 5 November 2020
 - is not in administration, insolvent or has had a striking off notice made

Organisations that were not instructed to close by the Government but have chosen to do so during the periods of national restrictions are not eligible to apply to this fund. An exception will be given if the organisation has been forced to close for other reasons related to COVID-19 (e.g. staff are self-isolating) and as evidenced in the business case.

Organisations that were instructed to close but have chosen to stay open are not eligible to apply to the fund.

The fund is only applicable for organisations who are a micro/small or medium sized enterprise, as set out under the Companies Act 2006 and falling within the criteria set out below:

To be a micro organisation, an organisation 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

To be a small organisation, an organisation must satisfy two or more of the following requirements:

- Turnover: not more than £10.2million
- Balance sheet total: not more than £5.1million
- Number of employees: a headcount of staff of less than 50

To be a medium organisation, an organisation must satisfy two or more of the following requirements:

- Turnover: not more than £36million
- Balance sheet total: not more than £18million
- Number of employees: a headcount of staff of less than 250

Presenting the business case

Organisations will be required to provide a business case for hardship that demonstrates they remain severely impacted and are at risk of closure. This business case should be **no more than 2000 words** plus supporting evidence. It is recommended that you include and make reference to at least the following:-

- Impact on income and related expenditure
- How will you use this grant to ensure sustainability of your business. Include examples such as changes to your operating model, new ways to derive income, access new customers, drive down operating costs - include any forecasts
- Outline the name and value of all COVID-19 related direct and indirect Government funded support in terms of grants, loans and reliefs received
- What are the particular circumstances about your business which requires additional funding beyond the grants you have received
- An overview of your business to include a description of:-
 - Your client base
 - Your supplier base
 - Where your workforce is based
 - How does your business contribute to your local community
 - Are you the only organisation locally offering these services
 - Would it be difficult for another business operator to provide these services
 - How does your business directly benefit the residents of Winchester district

The grant cannot be used to pay wages.

Acceptable forms of evidence of the impact on income, ongoing expenditure along with any COVID-19 related Government funded grants, loans and reliefs can be provided in the following ways:

- Last 2 years of audited accounts
- Profit and Loss statements
- Bank statements
- Income and expenditure invoices
- Any other supporting evidence that would support the business case

Organisations will be required to complete an on-line declaration of eligibility and submit their business case and supporting evidence at www.winchester.gov.uk. The on-line form is available [here](#).

The on-line form will require the applicant to confirm that the organisation applying meets the criteria set out in this fund policy. Before any payments are made, prepayment checks will be undertaken to confirm eligibility.

Decision making

Individual grant decisions will be made by a designated Additional Restrictions Hardship Fund Panel following this policy and the guidance set out by the Government.

The decision of this Panel will be final. There is no right to appeal.

All decisions will be communicated by email to organisations, with grant payments if approved made as quickly as possible from mid - March 2021 onwards.

The fund is limited and grants will be made on a case by case basis.

Payments of grant and tax

All payments of grant will be made by a BACS transfer to the organisations nominated business bank account. Please ensure that your bank details on the online form are correct to minimise delays in payment.

Grant income received by an organisation is taxable therefore funding paid under this fund will be subject to tax.

Only organisations which make an overall profit once grant income is included will be subject to tax.

State Aid

There is a requirement for all grants made under this Additional Restrictions Hardship Fund to be state aid compliant. This grant counts towards state aid. The rules are fully explained in the government state aid guidance [here](#). As part of the declaration process the applicant will be required to confirm that the organisation being applied for is not in breach of these rules. The applicant will be required to confirm that the award of the grant does not exceed the 800,000 Euros allowed within the last three years, as outlined in the State Aid Regulations. If the applicant's premises are part of a large chain, where the cumulative total of the grants could exceed 800,000 Euros, they should check the State Aid Law carefully before applying for this grant.

Managing the risk of fraud

Winchester City Council will not accept deliberate manipulation and fraud. Any organisation caught falsifying their records to gain additional grant money could face prosecution and any funding issued will be recovered, as may any grants paid in error. All applications will be subject to checks and verification.

Applicants will be required, as part of the declaration process, to declare that they understand that if they knowingly and dishonestly provide false or misleading information in communication with the Council including verbal communication they will be committing a criminal offence contrary to the Fraud Act 2006 and could be subject to a criminal investigation and criminal proceedings may be taken against them.

**If after reading this policy you have any queries or questions regarding
the eligibility of your organisation please contact our
Economy Team at ecodev@winchester.gov.uk or telephone on 01962 814915**