

BABERGH AND MID SUFFOLK DISTRICT COUNCILS COVID-19 BUSINESS SUPPORT FUNDING SCHEME

Introduction

1. This guidance is intended to support Babergh and Mid Suffolk based businesses applying to Babergh District Council or Mid Suffolk District Council for a grant from the Local Authority Discretionary Grants Fund announced by the Government on 1 May 2020.

2. This guidance sets out the criteria under which businesses will qualify to make an application to the Local Authority Discretionary Grants Fund, and the evidence required to support an application, and is aligned with the Government guidance issued on 13th May 2020.

3. This is an additional fund to the Small Business Grant Fund (SBGF) or the Retail Hospitality and Leisure Grant Fund (RHLGF), and it is aimed at certain small businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund, and which have relatively high ongoing, fixed property-related costs, and which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis.

Scope and approach

4. The Government guidance issued on 13th May 2020 gives the Council discretion over the grant scheme, and its decisions regarding the scheme will be final.

5. Under the guidance issued to the Council by the Government, it has been determined that the small businesses to be prioritised for access to the funding are:

- 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 relatively high ongoing fixed property-related costs
- Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis
- Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.
- Small businesses in shared offices or other flexible workspaces.
- Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief

6. In order to ensure all eligible businesses have the opportunity to apply for the scheme, the Council will administer a phased approach to the grants scheme to assess and quantify the level of demand for funding from businesses that fall within the priority areas set out in the Government guidance and meet the eligibility criteria and evidence requirements set out above.

7. After the Council has processed and decided on grant allocations for all applications from the first phase, there will be an assessment of whether there is any Government funding left. The Council may then offer future phases of grant funding and

further information about this will be made available at the appropriate time, should it be required.

8. In line with the guidelines, the first phase will include any businesses falling within the following categories:

- Small businesses in shared offices or other flexible workspaces. Examples could include mills, units in industrial parks, science parks, incubators, cafes/offices/kiosks and independent concessions and which do not have their own business rates assessment.
- Regular market traders with fixed property costs as definition in the section 17
- Bed & Breakfasts which pay Council Tax instead of business rates; and
- Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

9. The Council reserves the right to vary the terms of the scheme at any time, and without notice, should it be necessary to do so.

Eligibility

10. 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

11. 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

12. To be eligible to apply for a grant under this scheme, a small business must:

- Have been trading on 11th March 2020;
- Be small, with fewer than 50 employees,
- Have relatively high ongoing fixed property-related costs, and
- They must also be able to demonstrate that they have had a significant fall in income due to Coronavirus restriction measures.

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

Exclusion

14. This grant funding is for businesses that are not eligible for other support schemes. Businesses which are eligible for any central government COVID related

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

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

16. The Council will not approve or make payment of a further grant to a business that has already received a grant or partial grant passed on by a landlord under one of the schemes mentioned in 14 above. Businesses that have not previously been able to apply for a grant in their own right as they do not have a separate rating assessment, may now apply to this scheme if they meet all of the other eligibility criteria set out in this guidance, and have not received payments under any other scheme (except for the Job Retention Scheme).

Evidence Required for all

17. In order for the application to be considered, we require businesses to demonstrate that they meet the eligibility criteria above. We require businesses to provide evidence that demonstrates that their meet the eligibility criteria above. For example

- Evidence of property. Property costs are defined as rent, license fees, hire rates, membership subscription that includes a hot desk within the package, service charges, utilities, rates or mortgage payments above the de minimis level of £150 per month. This should take the form of leases/agreements/memberships showing an obligation to pay and bank statements showing that payments have actually been made.
- A signed written statement of the impact on its financial position of Covid-19 and evidence to demonstrate a substantial loss in income as a result of the current situation. This is likely to be in the form of filed accounts for previous years and management accounts/bank statements detailing from the 1st March 2020.
- Evidence of complying with the definition of a Small or Micro Business
- Confirmation that the business is not eligible or received any grant under the grant schemes mentioned in Section 14 above.
- Confirmation of State Aid compliance
- Additional information for:
 - Bed and breakfast - Evidence of future bookings that have been cancelled as a result of Covid-19. The business will need to demonstrate the level of bookings that they would usually expect in a year. Eligible bed and breakfast businesses must hold a current food safety licence with Babergh District Council or Mid Suffolk District Council, to demonstrate their role as a premise where breakfast is regularly supplied to guests
 - Market traders - Eligible Market traders must trade regularly at one of the following town markets: Stowmarket, Sudbury or Hadleigh Town markets.

State aid

18. There is a requirement for all grants made under this scheme to be state aid compliant, please see the further guidance on this at this link – [State Aid Guidance](#)

Application process

19. The Council has access to limited funds from Government for this scheme and it is expected that most grant allocations made will be under £10,000.

20. In order for the Discretionary Grant to benefit the maximum number of eligible small businesses, it is proposed to have 2 levels of grant.

Business type	Grant amount
Bed and breakfast	£5,000
Charitable premise	£5,000
Market trader	£2,500 (per geography market and capped at £10,000)
Shared space	£5,000

21. The above table shows the level of grant for identified business, however, if there is evidence that demonstrate a significant impact the Council may use its discretion to consider an enhanced grant.

22. If the fund is oversubscribed with the applications received, the Council reserves the right to amend the grant levels to a pro-rata basis, based on the applications received and approved, as a way of dealing with this situation, should it arise.

23. Evidence to support the application will need to be uploaded as part of the application process. The evidence will be in accordance with section 17.

24. Applications for the grant must be made online at (web address to be confirmed) and payments will be made directly to approved recipients' bank accounts by electronic transfer.

25. The timeline for the grant scheme

- Applications open – Friday, 29th May 2020, 9am.
- Application window closes – Friday, 19th June 2020, 5pm.
- We anticipate that payments will be made no later than 21 days after application

Other information

26. 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.

27. The Government and 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.

28. The Council does not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving grant payments under this scheme.

Decision making Appeals Process

29. No grant will be paid without an application being made.

30. The authority to consider applications is delegated to the Assistant Director Corporate Resources, who will ensure that a decision is notified by email as soon as is reasonably practical after the application is received.

31. Any appeal against the decision to award or not award relief or against the level of relief must be made within 7 days of notification of the decision by email.

32. Authority to consider appeals is delegated to the Assistant Director of Economic Development and Regeneration who will notify the applicant of the final decision in writing within 7 days as to whether an appeal is refused or accepted, with a full explanation of the reasons for the decision

33. Enquiries about the scheme can be emailed to discretionarybusinessgrant@baberghmidsuffolk.gov.uk