

WEST SUSSEX COUNCILS' GUIDELINES
LOCAL AUTHORITY DISCRETIONARY GRANTS FUND
ADUR & WORTHING COUNCILS
GUIDELINES

Introduction

1. This guidance is intended to advise micro and small businesses applying to West Sussex local authority Boroughs and Districts for a grant from the Local Authority Discretionary Grants Fund, announced by the government on 1st May 2020. Only businesses trading on 11th March 2020 are eligible to apply for the Fund.
2. West Sussex Boroughs and Districts have access to relatively limited funds from the government for this scheme. It is expected therefore that most grant allocations to successful applicants will be up to £10,000. The application process is likely to be oversubscribed with many more grant applications compared to funds available.
3. The West Sussex local authority Boroughs and Districts utilising these guidelines are:
 - Adur District Council
 - Arun District Council
 - Chichester District Council
 - Crawley Borough Council
 - Mid Sussex District Council
 - Worthing Borough Council
4. 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 and any revisions, which can be found via this link:-

<https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding>

5. 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 and micro 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 COVID19 crisis.
6. 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 grant application cases to support within this criteria.
7. 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. Six Council's in West Sussex, listed above, have agreed and approved these guidelines, although it is up to each individual Local Authority which grants they approve.

Which types of business should the Discretionary Grants Fund prioritise?

8. The government guidance issued on 13th May 2020 gives the above Councils discretion over the Discretionary Grants Fund, and their decisions on the awarding of grants as part of the Fund will be final
9. Local Authorities have been asked by the government to prioritise the following types of businesses for grants from this funding pot, subject to eligibility:
 - 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 with fixed stall locations who do not have their own business rates assessment (these will be paid

based on their home address by the Local Authority they reside at);

- 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;

10. Whilst the Government has guided Local Authorities as to the types of business that the Government considers should be a priority for the Fund, 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. These may include but are not limited to:

Small / micro business which:-

- Are in the Supply Chain to the Retail, Leisure and Hospitality sectors that did not qualify for the government business grants but pay business rates or have other property costs;
- Did not qualify for business grants but pay onerous business rates or have other relatively high property costs
- May have qualified for a business grant but are waiting for a business rate valuation decision from the independent Valuation Office Agency; and

11. Local authorities may choose to make payments to other businesses as a priority based on local economic need, including if it can be demonstrated that the grant will make a significant contribution to protecting local jobs, and / or if the business is in a prominent economic location or if the business was growing quickly pre-COVID19 crisis, making an increasingly significant contribution to the area's economic output.

Scope and Eligibility

12. Any business property qualifying for a COVID19 Small Business Grant or the COVID19 Retail, Leisure and Hospitality Grant is **not** eligible for this discretionary fund grant.
13. This discretionary grant funding is for small / micro businesses that are not eligible for other support schemes. Businesses which have received cash grants from any other central Government COVID19

related scheme are ineligible for funding from the Discretionary Grants Fund.

14. 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. Only one discretionary fund grant award can be made to a successful individual business applicant across the whole of West Sussex.

16. Businesses who have applied for the Coronavirus Job Retention Scheme or Self Employment Income Support Scheme **are** eligible to apply for this scheme.

17. These discretionary grants are primarily and predominantly aimed at:-
 - 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 – and:-
 - Those with relatively high ongoing fixed property-related costs
 - Those which can demonstrate that they have suffered a significant fall in income due to the Covid-19 crisis
 - Those with fewer than 50 employees (full-time equivalent)
 - Those in shared offices or other flexible work spaces
 - Those that were trading on or before 11th March 2020.

18. 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.

19. 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
20. Companies that are in administration, are insolvent or where a striking off notice has been made are not eligible for funding under this scheme.
 21. The discretionary fund 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.
 22. £51,000 is therefore the accepted threshold in the business rates system (and can only be increased by an individual Local Authority at their discretion in exceptional circumstances – see table below) for a ‘small’ or “micro” business, as only businesses which occupy properties with a rateable value of less than £51,000 can benefit from the Small Business Multiplier rate.
 23. 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.
 24. Please note individual Local Authorities within West Sussex may apply additional mechanisms to determine local need within their own Local Authority.

Evidence Required for Discretionary Grant Fund application

25. In order for an application to be considered, we require businesses to demonstrate that they meet the eligibility criteria stated above. The more meaningful the evidence, the more compelling the grant application will be. We anticipate that to do this, applicants will need to provide:
 - Evidence of property costs such as rent, rates or mortgage payments above the de minimis level of £250 per month (see table below). This should take the form of signed leases / agreements showing an obligation to pay and bank statements showing that payments have actually been made.

- Evidence to demonstrate a substantial loss in income as a result of the COVID-19 crisis. This is likely to be in the form of field accounts for previous years and management accounts / bank statements for the current period.
 - Evidence of complying with the definition of a small or micro business.
 - Confirmation that the business has not received any grant under the grant schemes mentioned in sections 11-13 above.
 - Confirmation of State Aid compliance.
26. Annual property cost will include rent, mortgage payments, insurance, rates, flexible licence fees.
27. If a business is in a sector that has not been allowed to open / trade during the COVID19 crisis or if a business provides services that are not permitted due to social distancing rules, and have not been able to move to online services, the level of income lost will be more significant to that of business still able to operate but at a reduced level. This will be considered in confirming whether a grant is awarded and the grant amount to be offered.

State aid

28. There is a requirement for all grants made under this Discretionary Grants fund to be state aid compliant. Please see further government guidance on this via this link (Section 45-50):
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/885011/local-authority-discretionary-grants-fund-guidance-local-government.pdf

How Grants will be provided

29. Local Authorities will be responsible for evaluating Discretionary Grant Fund applications, selecting the successful business applicants and then administering and delivering grants to those successful applicants.
30. Local Authorities responsible for making payments of Discretionary Grant Fund to successful business applicants will be those authorities who are business rate billing authorities in England.
31. Local Authorities will endeavour, subject to due diligence checks, to make payments as quickly as possible to support successful business applicants, who are struggling financially.

How much funding will be provided to successful businesses

32. The West Sussex Councils have access to limited funds from the government for this scheme and it is expected therefore that most grant allocations will be up to £10,000. The maximum allocation permitted of £25,000 will only be made in very exceptional circumstances.
33. In order for the Discretionary Grant Fund to benefit the maximum number of eligible small / micro businesses, it is proposed to have 4 levels of grant payments, directly be proportionate to the relative level of property costs for the business and taking into account the relative impact on income due to the COVID19 crisis.
34. The grant levels and eligibility criteria are presented below:-

Category	Maximum Grant Amount	Criteria
At least £250 in rent or flexible licence fee per calendar month. / Eligible market trader, unable to trade with ongoing costs.	£2,500	Eligible market trader unable to trade or local business with West Sussex* registered trading address, trading on or before 11 March 2020.
RV or property costs up to £15K per annum	£5,000	RV or where no RV rent/ mortgage costs, service charges.
RV or property costs between £15,001 and £51,000 per annum	£10,000	RV or where no RV rent/ mortgage costs, service charges.
RV or Property costs of over £51,000 – a payment of £25,000 to be made to business applicants only in exceptional circumstances	£25,000**	Exceptional circumstances will include:- Business closed completely 100% income lost from 18 th March 2020 – 13 th May Must meet as a minimum all 3 conditions – RV, income and closure.

* In this case the business grant may only be considered by the West Sussex Council where the registered trading address is located.

**Any such exceptional payment would amount to £25,000 only and not any value up to £25,000, as per the government guidelines.

35. If the fund is oversubscribed with the applications received, the Councils reserve the right to amend the grant levels on a pro-rata basis, based on the applications received and approved, as a way of dealing with this situation, should it arise.
36. Local Authorities have discretion to make payments of any amount under £10,000. It will be for Local Authorities to adapt this approach to local circumstances, such as providing support for micro-businesses with fixed costs or support for businesses that are crucial for their local economies.
37. In taking decisions on the appropriate level of grant, Local Authorities may also want to take into account the number of employees and the scale and risk of potential job losses, whether businesses have had to close completely and are unable to trade online, the consequent scale of impact of COVID19 losses including the broader impact of the business on local economic activity.
38. The level of funding for these discretionary grants will be decided by the individual Local Authority within the above guidelines. There will be no review of this decision and no right to appeal.

The Application Process

39. All Local Authorities in West Sussex will manage their own application process. For more details please consult the web site of the relevant local authority.
40. Local Authority application forms will be available online. No paper copies will be available. This electronic form including the declaration must be fully completed with all the required evidence to be considered for a grant.
41. This application process will allow Local Authorities to evaluate the applications, undertake pre-payment checks to confirm eligibility and to allow each Local Authority to determine how to use its discretion in selecting successful applicants and determining the appropriate level of grant.
42. The Local Authority must write to successful business applicants, 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. Suggested wording for State aid declarations is included at Annex C.

The Application Process

43. There will be a closing date of Sunday 14th June 2020 across the above West Sussex Local Authorities for businesses to apply for this discretionary grant funding.
44. 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.
45. 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.
46. 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, as well as giving the Local Authority permission to share data to check such compliance and that these guidelines are complied with.
47. As well as meeting the criteria it is the intention for the discretionary grants to support local businesses whose intention it is to continue to trade and do business in the local area after COVID19.
48. Also Councils will investigate if any business applying shall be liable for business rates, if not already liable, if applicable. Payment of grant funding to a successful applicant will be conditional on the business paying any business rates liabilities arising from this.

The Grant Awards Panel

49. These guidelines have been approved by West Sussex Borough and District Chief Executives and where applicable elected Members.
50. Individual grant decisions will be made on a delegated basis by designated senior officers based on the approved guidelines.
51. The decision of the senior officers will be final. There is no right to appeal.

52. All decisions will be communicated by email to businesses, with grant payments if approved made quickly, subject to due diligence checks. A remittance notice will accompany any grant payment.
53. Any business not awarded a discretionary grant who meets the eligibility criteria can apply in any future round, should there be any.

Payments of Grant

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

Managing the risk of fraud

55. All Local Authorities administering the grants in West Sussex 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.
56. All information is subject to internal and external audit check.

Sharing Information

57. By applying for a discretionary grant all applicants give authority to administering Local Authorities to share data for efficient system administration and to protect the Public Purse, subject to the GDPR. This will include sharing data with West Sussex and other Local Authorities.
58. The Councils will be required to share data with Government Departments for monitoring and other reasons. By applying for a discretionary grant all applicants give authority for this.

Other Information

59. Grant income received by a business is taxable in certain instances, therefore funding paid under the Local Authority Discretionary Grants Fund may be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.
60. Grant income may also affect the amount of benefit you can receive.
61. The Councils do 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.

Dated: 1st June 2020