

# Discretionary Business Support Grant Policy May 2020

## 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 have ongoing, fixed building costs
- The business must be a small or micro business (see below for definitions) and can be trading as a Limited Liability Partnership or Limited Company registered at Companies House, a charity, sole trader or unlimited partnership.
- The business must have been trading on 11<sup>th</sup> March 2020 and companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme
- The business must be able to demonstrate that it has suffered a fall in income in excess of 50% in the Covid-19 crisis period. This will be determined as reduction in February 2020 income compared to the level of income in April, May or June 2020 or by comparing income in April 2019 to April 2020, May 2019 to May 2020 or June 2019 to June 2020
- The business must have a principle trading address within the London Borough of Hounslow administrative area.

## Value of grant

There are three levels of grant funding available to businesses: £25,000, £10,000 and £5,000. In addition to meeting the criteria above, eligibility for each funding level is as follows:

£25,000 grants	Businesses that do not pay Business Rates but which have an annual rent or mortgage payment between £45,000 and £51,000 in respect of their business activities. <b>OR</b> Businesses with a Business Rates Rateable Value between £45,000 and £51,000 per annum that are not eligible for other grants.
£10,000 grants	Businesses that do not pay Business Rates but which have an annual rent or mortgage payment between £20,000 and £44,999 in respect of their business activities. <b>OR</b> Businesses with a Business Rates Rateable Value of £20,000 and below £44,999 per annum that are not eligible for other grants.
£5,000 grants	Businesses that do not pay Business Rates but which have an annual rent or mortgage payment between £500 and £19,999 in respect of their business activities. <b>OR</b>

	Businesses with a Business Rates Rateable Value of £19,999 or £500 per annum that are not eligible for other grants.
--	--

Businesses are only entitled to claim one grant and cannot claim grants for multiple premises in the London Borough of Hounslow.

Applicants must be able to demonstrate a fixed property cost through providing us with evidence of a licence, lease or mortgage agreement. If the agreement related to your home, you will need to evidence how your property is used for your business. We would expect that a part of your home is utilised to deliver your business, and that you can evidence how your property is used for your business through, for example, your insurance, your mortgage or lease arrangements, your tax return, or any licenses or planning approvals and you can clearly demonstrate the cost being recognised as a business expense.

### **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. 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.

Businesses that have applied for the Coronavirus Job Retention 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.

Businesses who are a tenant of London Borough of Hounslow that have received support with their occupational costs under either direct agreements or through their trading association will not be eligible.

## 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 the specified evidence which must demonstrate that they meet the relevant criteria.

The list below shows the evidence that will be acceptable. Please note, this list is exhaustive and other forms of evidence will not be accepted.

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

Criteria	Acceptable evidence
The business must be trading as a Limited Liability Partnership or Limited Company registered at Companies House, a charity, sole trader or unlimited partnership.	Companies House listing or if not listed at Companies House - Evidence of VAT or other HMRC registration A copy of partnership agreement Copy of a recent invoice to a customer Charity commission registration
The business must have ongoing, fixed building-related costs these will be used to determine the level of grant as detailed above	A copy of the lease or licence for your premises showing the premises address  Evidence of rental payments from bank statements  Business Rates Account number  Mortgage agreement or evidence mortgage payments from bank statements.  In addition where costs related to a residential property evidence the property is used for your business through, for example, your insurance, your mortgage or lease arrangements, your tax return, or any licenses or planning approvals and evidence of how much of the cost has been treated as a business expense.  The annual value of the (business related) property costs will be used to determine the value of the grant to be awarded.

<p>The business must be either a small or micro business</p>	<p>To be verified through Companies House or Charity Commission filings or if insufficient data available (the business has not yet filed accounts) evidence of the criteria being met to be provided as follows.</p> <p>Less than 50 employees: Evidence is to reference the bank statement showing payments or payroll report with no personal information included on it.</p> <p>Balance sheet not more than £5.1 million Declaration that company has less than £5.1m assets to be made</p> <p>Turnover not more than £10.2 million To be confirmed by income shown on February 2020 bank statement</p>														
<p>The business must have been trading on 11th March 2020</p>	<p>A copy of your business' or charity's February, March, and April 2020 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>You will be required to disclose the amounts and dates of payments relating to payroll and lease or mortgage payments for each month as relevant.</p>														
<p>The business must be able to demonstrate that it has suffered a significant fall in income due to the Covid-19 crisis. This will be determined as a 50% reduction in income per the bank statement between the baseline and comparator months listed.</p>	<p>The bank statements for the baseline and comparator months must be provided to demonstrate a loss of income in excess of 50%.</p> <table border="0"> <tr> <td>Baseline</td> <td>Comparator</td> </tr> <tr> <td>February 2020</td> <td>April 2020</td> </tr> <tr> <td>February 2020</td> <td>May 2020</td> </tr> <tr> <td>February 2020</td> <td>June 2020</td> </tr> <tr> <td>April 2019</td> <td>April 2020</td> </tr> <tr> <td>May 2019</td> <td>May 2020</td> </tr> <tr> <td>June 2019</td> <td>June 2020</td> </tr> </table> <p>The application process will allow applicants to advise of income transactions which are not business related. These will be excluded from the calculation where clearly stated by the applicant at the discretion of the Council. Typical examples would be directors' loans, Coronavirus Job Retention Grant or returned Direct Debt payments.</p>	Baseline	Comparator	February 2020	April 2020	February 2020	May 2020	February 2020	June 2020	April 2019	April 2020	May 2019	May 2020	June 2019	June 2020
Baseline	Comparator														
February 2020	April 2020														
February 2020	May 2020														
February 2020	June 2020														
April 2019	April 2020														
May 2019	May 2020														
June 2019	June 2020														
<p>The business must have a principle trading address within the</p>	<p>A copy of the lease or licence for your premises showing the premises address.</p>														

London Borough of Hounslow administrative area.	For businesses which occupy properties owned or mortgaged suitable evidence of the address should be provided if it is not the address at which the business is registered.
Must have at least one employee	To be verified through Companies House or Charity Commission filings or if insufficient data available (the business has not yet filed accounts or has not disclosed the number of employees in the last return) evidence of the criteria being met is to reference the bank statement showing payments or payroll report for April May or June 2020 with no personal information included on it.

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

Applicants will be required to make a declaration of compliance with State Aid regulations.

### **Determination of applications**

Applications will be considered by a dedicated review team with a recommendation made to a senior officer for approval. The process will be to review the information disclosed in the application and confirm the evidence provided supports the disclosures.

Any award will be at the absolute discretion of any of the following.

1. Head of Growth & Opportunities
2. Head of Revenues & Benefits
3. Assistant Director Commercial and Projects

There is no statutory right of appeal against a decision regarding discretionary grants made by the Council. Any challenge will be determined by the Executive Director Finance and Resources and their decision will be final.

### **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**

Applications will be processed on receipt in the order they are submitted. Successful applications will receive payment by BACS only.

Successful applicants will be notified upon confirmation of all verification checks being completed and provided with an indication of when they can expect to receive payment.

Applications will be closed when the funding allocation is estimated to have been utilised, this will allow time to administer the applications received first. If further funding becomes available as the Government extends the scheme or some applications received are not valid there will be a subsequent window for applications will opened. This process may be repeated if funding allows.

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.

If insufficient evidence is provided with the initial application a request for additional information will be made with a 7 day window for responses. Applicants will be allowed a 2<sup>nd</sup> window of 3 days to provide additional information if the initial response is still not sufficient. If there is no response or the additional information is still no sufficient to support the application, it will be rejected.

The council will not accept applications made by third parties or agents on behalf of businesses.