

Guidance for Businesses in the District of East Lindsey

1. About this guidance

- 1.1. This guidance sets out the criteria East Lindsey District Council will apply to applications for the award of Local Authority Discretionary Grants Fund to businesses within its administrative area.
- 1.2. Information about this fund will be published on the East Lindsey District Council website on the Coronavirus page under the link
<https://www.e-lindsey.gov.uk/CVBusiness>
- 1.3. Any enquiries about the guidance should be directed to:: DGrant@e-lindsey.gov.uk

2. Introduction

- 2.1. The Government has announced a new Covid-19 business grant fund called the 'Local Authority Discretionary Grants Fund'. The additional funding is provided to make payments to small businesses that have seen a significant drop in income due to Coronavirus restriction measures, but not benefited from either the Small Business Grant or the Grant for Retail, Hospitality and Leisure Businesses (or other identified support schemes such as the 'Self Employment Income Support Scheme').
- 2.2. The criteria and application process for this funding is based on the guidance from Government (https://www.e-lindsey.gov.uk/media/16205/local-authority-discretionary-grants-fund-guidance/pdf/V.2._Discretionary_Grant_Fund_Guidance_for_LAs_02.pdf?m=637261648002800000) and has been developed in consultation with partner Local Authorities.

3. How will the grants be provided?

- 3.1. East Lindsey District Council is responsible for delivering the grants to eligible businesses.
- 3.2. The Government has provided the Council with a total funding allocation of £2,742,250 to distribute to businesses in its area under this Local Authority Discretionary Grants Fund scheme.
- 3.3. Businesses that are awarded grant funding under the scheme will be paid by BACS transfer when they have provided the Council with their bank account details and those details have been verified to the Council's satisfaction.
- 3.4. Once the allocation of funds is fully committed to qualifying businesses it will not be possible to make any further grants and the scheme will be closed.

4. Eligibility

- 4.1. A business must meet all of the qualifying criteria that are set out in this guidance to be eligible to receive the grant funding.
- 4.2. This grant funding is for businesses that are not eligible for other Government funded business support schemes. Thus businesses which have received cash grants from any central government COVID-19 related scheme, or those which could have applied for grants under any of those schemes, are ineligible for funding from this Discretionary Grants Fund.

- 4.3. There are two exceptions to the previous rule, which are that businesses who have benefited from the Coronavirus Job Retention Scheme and/or the Self Employment Income Support Scheme are eligible to apply for this scheme.
- 4.4. Only businesses which were trading on 11th March 2020 are eligible for this scheme.
- 4.5. Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
- 4.6. Businesses must demonstrate that they meet the State Aid requirements by completing the declaration that is attached to the Government's Guidance for this Grant (see the link at paragraph 10.1 of this Guidance)..

5. Who may benefit from this discretionary grant scheme?

- 5.1. These grants will be primarily targeted to assist:
 - i. 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.
 - ii. Businesses with relatively high ongoing fixed property-related costs.
 - iii. Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis.
 - iv. Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.
- 5.2. The definition of "business" includes "registered charities".
- 5.3. Government guidance has asked local authorities to prioritise the following types of businesses for grants under this discretionary funding scheme:
 - i. Small businesses which occupy offices they share with others or other kinds of flexible workspaces. Examples could include units in industrial parks, science parks and incubators which do not have their own business rates assessment;
 - ii. Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;
 - iii. Bed & breakfast establishments which pay Council Tax instead of business rates; and
 - iv. 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. East Lindsey District Council Discretion

- 6.1. Government has recognised that business' need for economic assistance will vary according to the particular circumstances that prevail across the country. Therefore, it has permitted local authorities some discretion to determine which kinds of businesses should receive discretionary business grant.
- 6.2. In the exercise of its discretion, East Lindsey District Council has determined that the greatest economic benefit to the district will be secured by giving extra weight to applications for grant by businesses which:-
 - (1) Meet all of the qualifying criteria set out under paragraph 5.1 of this Guidance.
 - (2) Meet at least one of the criteria listed under paragraph 5.3 of this Guidance; and,
 - (3) Is a business:

- i. Closely associated with the retail, hospitality and leisure industry, but which is not eligible for grant assistance under the Retail, Hospitality and Leisure Grant Fund Scheme.
- ii. Involved in retailing, especially one located in one of the district's town centres.

The limited funding available under this scheme means it is possible the Council may not be able to assist all of those businesses that apply for grant and which satisfy the criteria listed under paragraph 6.1 of this Guidance. Therefore, priority will be given to those businesses that we judge (based on the basis of the information that they provide to us):-

- 1) Have experienced the greatest hardship (measured in terms of the percentage reduction in a business's income between 1st March and 31st May 2020 compared with the same period in 2019).
- 2) Employ the largest number of people (both full and part time) at the date of their application for this grant.

6.3. In accordance with Guidance issued by the Government, only businesses which were trading on 11 March 2020 are eligible for this grant. Generally this means a business must have been registered for Business Rates on that date or have been in the process of applying to register.

6.4. This scheme is limited to one grant per business.

6.5. The decision of the Council will be final. There is no "appeal" process.

7. How much funding will be provided to businesses?

7.1. Grant awards and the amount of an award will be determined having regard to the national and local criteria set out below.

7.2. The value of Grant awarded to a business will be based on the Council's assessment of the hardship it has suffered, having regard to the proportional fall in its income between 1 March 2020 and 31 May 2020 and compared with the same period in 2019; the number of people it employs; its prospects for future success; and its contribution to the district's economic prosperity.

8. Will the Local Authority Discretionary Grant Fund be subject to tax?

8.1. Grant income received by a business is taxable therefore funding paid under the Local Authority Discretionary Grants Fund will be subject to tax.

9. What will the process be for a business to access the Local Authority Discretionary Grants Fund?

9.1. The application form, state aid declaration and guidance will be available on the East Lindsey District Council website with effect from 3rd June 2020. The scheme will close to new applications on 30th June 2020 or sooner if the total allocation has been committed.

9.2. The following qualifying questions will need to be answered in order to access the full application form. Only businesses that can answer yes to all of the questions are eligible to apply to the Local Authority Discretionary Grants Fund:

Your business was trading on the 11th March 2020 and occupied a property in East Lindsey District.
Your business can provide evidence of the ongoing annual property related fixed costs that it incurs.
Your business can demonstrate that it has suffered significant reduction in income as a result of the COVID-19 shutdown.

Your business has not received any COVID-19 related grants (excluding the Self Employed Income Support Scheme and the Coronavirus Job Retention Scheme)

9.3 If you are able to answer 'Yes' to **all** of the above questions you may then make a full application for grant. If you choose to do this you must provide all of the following information (or else the Council may decline to consider your application).

Business name and trading address.
The name and position of the person applying for the grant with contact details.
Business Rates Account Reference or evidence of operating in one of the prioritised sectors.
Date business established.
Number of employees (full time and part time).
Legal Status: Limited Co, Registered Charity.
Annual Turnover (£)
Balance Sheet Total (£)
Company Website
If incorporated: Companies House Registration Number.
A brief description of your main business activity and the sector including customer profile. (Maximum word count 200).
Evidence that the business was trading as at 11th March 2020.
<p>Provide a concise explanation of how Covid-19 has negatively impacted on your business. This should include evidence of:</p> <ul style="list-style-type: none"> (i) the extent to which the business' income fell between 1 March 2020 and 31 May 2020 compared with the income it received over the same period in 2019 (we would expect to be provided with bank statements for these periods); (ii) the kind and amount of its fixed costs payable by the business per month (especially property related fixed costs); (iii) the number and kind of suppliers it supports; (iv) how the award of grant would assist the survival and/or growth of the business; and; (v) the amount of money required to materially assist the business. <p>The likelihood of being awarded grant and the amount awarded in grant will depend on the quality of the evidence that is provided to the Council. Applicants should note that the grant will normally be payable in one of the following three sums - £25,000, £10,000 and £5,000.</p>

9.4 Documents used to support evidence of entitlement to a business grant must be uploaded in jpeg, jpg, png, docx or pdf format and be no larger than 5MB.

9.5 Business bank account information will be required to pay successful businesses directly. We need details of your bank's name, address, account number and sort code. We also require an authorised signatory to

provide a signed and dated written authority that allows us to contact your bank to verify the information you have provided us.

9.6 We aim to process applications as quickly as possible, on a first come first served basis.

9.7 The Council is required to account for how it spends public funds. As such the Council will likely be required to publish or disclose upon request details of any amounts paid to you in respect of this application. This will be necessary to meet the Council's transparency obligations and the requirements of the Freedom of Information Act 2000.

9.8 If an application is not complete and is awaiting further information, the scheme may be fully committed whilst this takes place. Therefore it is imperative that all information is provided at point of submission.

10 State Aid Declaration

10.1 The application process will direct you to the appropriate full State Aid Declaration which must be completed alongside your application form.

11 Managing the risk of fraud

11.1 East Lindsey District 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.

11.2 The government's Grant Management and Counter Fraud digital assurance tool, Spotlight, will be used to check pre-payment and post-payment compliance.

11.3 By signing the final declaration of the application form you are confirming that all information provided is a true and accurate record.