

Discretionary Grant Fund Policy Document

Version: Final

Policy Date: May 2020

Strategy date: May 20 – March 21

Document Control

Organisation	Copeland Borough Council
Title	Local Authority Discretionary Grant Fund
Version	1
Author	Janet Sinnott
Filename	Discretionary Grant Fund COVID-19
Owner	Steven Brown
Subject	
Protective Marking	
Review Date	September 2022

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Revision History

Version Reviewed	Date Reviewed	Reviewed By	Description of Revision

Document Approval

Version	Approved By	Date
	Human Resources	
	Corporate Leadership Team	
	Trade Union Consultation	
	Executive	
	Full Council	

Document Distribution

This policy is to be distributed to all staff and elected members of Copeland Borough Council and placed on the Council's Intranet Site. A copy must also be provided to contractors and 3rd parties undertaking work on Copeland Borough Council premises.

Contributors

Janet Sinnott	Revenues Team Leader

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1. Purpose

- 1.1 The purpose of this policy is to outline the conditions that should be satisfied in order for the Council to consider a grant payment under the Local Authority Discretionary Grant Fund. This fund has been introduced to support businesses in response to COVID-19.

2. Policy Benefits

- 2.1 This grant scheme widens access to support to businesses who are struggling to survive due to the Corona virus shutdown but are unable to access other grant funding.

3. Introduction

- 3.1 In response to COVID-19, the government announced there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors, delivered through the Small Business Grant Fund and the Retail, Leisure and Hospitality Grant Fund.
- 3.2 This additional discretionary fund, to which this policy document relates, is aimed at small businesses who are ineligible for other COVID-19 related grant funds.
- 3.3 The eligibility criteria for this fund have been set by Central Government.
- 3.4 Copeland Borough Councils allocation for this fund has been set by the government at £853,250.

4. Policy Details Including Procedures

4.1 Eligible Businesses

- 4.2 The government has set two mandatory criteria that a business must meet in order to apply:
 - The business must have been trading on 11 March 20;
 - The business must not have been eligible or received cash grants from any existing COVID-19 related scheme.
- 4.3 Central government request that these grants are prioritised for the following businesses:

- 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, annual rent or annual mortgage payments below £51,000.

4.4 A small business is defined under the Companies Act 2006 and 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
- Employees numbers: less than 50 staff

4.5 A micro business is defined under the Companies Act 2006 and must satisfy two or more of the following requirements in a year-

- Turnover: Not more than £632,000
- Balance sheet total: Not more than £316,000
- Employees: Not more than 10

4.6 Government guidance considers the following types of businesses a priority for this scheme:

- Small businesses in shared offices or other flexible workspaces. Examples include units in industrial parks, science parks and incubators which do not have their own business rates assessment;
- Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;
- 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.

4.7 The list above is not exhaustive but is intended to guide local authorities as to the types of businesses that the government considers should be a priority for the scheme.

- 4.8 Businesses outside of the above list are invited to apply but must satisfy the conditions set out under 4.2 above. In addition, it is expected that the business will meet most if not all of the criteria set out under 4.3 above.
- 4.9 Businesses who have applied for the COVID-19 Job Retention Scheme and the Self-Employed Income Support Scheme (SEISS) **are** eligible to apply for this scheme.
- 4.10 This scheme is aimed at local businesses. We would expect the business to be predominantly based in Copeland, with the majority of their business and headquarters located in Copeland.

5.0 Ineligible Businesses

- 5.1 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
 - Retail, Hospitality and Leisure Grant
 - The Fisheries Response Fund
 - Domestic Seafood Supply Scheme (DSSS)
 - The Zoo Support Fund
 - The Dairy Hardship Fund
- 5.2 Businesses that were **not** trading on 11 March 20 are ineligible for this scheme.
- 5.3 Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
- 5.4 Businesses that do not satisfy the conditions as set out under Section 4 of this policy document are ineligible for this scheme.
- 5.5 The following business types are excluded from this scheme:
- Financial services (e.g. banks, building societies, cash points, bureaux de change, short-term loan providers)
 - Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers)

- Post office sorting offices

6. Grant Amount

- 6.1 Awards under the Local Authority Grant Fund are cash limited and therefore expenditure will not exceed the amount determined by Government.
- 6.2 Grants awarded by Copeland Borough Council will be capped at £10,000.
- 6.3 Due to the limited funds available for this scheme, and to ensure that Copeland Borough Council is able to support the maximum number of businesses possible through the pandemic, grant amounts will be awarded on a sliding scale between £2,000 and £10,000. How much a business receives will depend on their circumstances.
- 6.4 Copeland Borough Council will take in to consideration the following when determining the level of grant per business:
- The level of fixed property costs faced by the business;
 - The number of employees;
 - The loss of income.
- 6.5 **Estimated grant amount:**

	Property costs	Employees	Loss of income	Amount of Grant to be received
A	£2,400-£4,999	Fewer than 10	Up to £4,999	Up to £2,000
B	£5,000- £9,999	11-20	£5,000 - £9,999	Up to £4,000
C	£10,000- £14,999	21-30	£10,000 - £14,999	Up to £6,000
D	£15,000- £19,999	31-40	£15,000 - £19,999	Up to £8,000
E	£20,000-£50,999	41-49	£20,000 plus	Up to £10,000

- 6.6 Applications will be considered against all three of the above criteria. The amount paid will be the highest amount applicable after all three of the above criteria have been verified.
- 6.7 If the fund is oversubscribed, the Council reserve the right to amend grant levels, based on the applications received and approved. This will ensure

that the maximum number of businesses receive support through this scheme.

- 6.8 The grant scheme is per business not per hereditament (property). Businesses with more than one property will only be eligible for one grant.
- 6.9 If a **business** received a grant under the Small Business Rate Relief or Extended Retail Discount Relief scheme for other properties they **will not** be eligible for this discretionary grant.

7. Information Required to Support Applications

- 7.1 Each application must be accompanied with the following evidence:-
- Lease agreement, rental agreement or mortgage agreement confirming the annual payment as below £51,000;
 - Documentation from your bank account, Accountant or Financial Adviser that demonstrates a significant fall in income due to the COVID-19 crisis; Evidence of turnover from April 2019 compared to April 2020 will be required;
 - Confirmation that turnover does not exceed £10.2m or the balance sheet does not exceed £5.1m for a small business;
 - Confirmation that turnover does not exceed £632,000 or the balance sheet does not exceed £316,000 for a micro business;
 - Payroll and Personnel records confirming employee head count as less than 50;
 - Evidence to confirm the business was trading on 11 March 20. Evidence in the form of website link, social media posts and sales records for the period prior to 11 March 20 will be required.

8. Application

- 8.1 It is not possible for the Council to accurately quantify the number of businesses eligible as set out above. The reason being is because the business types above are not necessarily registered to pay business rates.
- 8.2 To overcome this issue, the Council will launch a 14 day window for businesses that meet the criteria as set out in this policy, to lodge their application, along with all relevant supporting documents. On expiration of

the 14 days, the Council will review all applications based on the criteria set out above.

- 8.3 On line – please download and complete the Small Business Discretionary Grant Fund application from www.copeland.gov.uk and return to business.rates@copeland.gov.uk
- 8.4 For any questions, please do not hesitate to contact the Business Rates team on 01946 598300, or via the above email address.

9. Payment

- 9.1 If Copeland Borough Council is provided with a completed application, along with all requested evidence specified under 7.1 of this policy, payment will be made to the bank account provided within 7 days of the two week application window closing.

10. State Aid

- 10.1 The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period.
- 10.2 Copeland Borough Council has the discretion to make payments to eligible recipients under either the De Minimis rules or the COVID-19 Temporary Framework for UK Authorities.
- 10.3 Payments of up to and including £10,000 can be provided under the De Minimis rules, meaning applicants can receive up to €200,000 of aid within a three year period.

11. Refusals and the Right to Appeal

- 11.1 There is no statutory right of appeal under this scheme.
- 11.2 Where the conditions of this policy are not satisfied, Copeland Borough Council will write to the business setting out the reasons for the refusal.
- 11.3 If the business remains aggrieved, they must write to the Council outlining the reasons for their appeal.

- 11.4 Where an appeal is received, an officer other than the original decision maker will reconsider the decision and notify the business accordingly. The Director of Financial Resources will be consulted if deemed appropriate.

12. Fraud

- 12.1 Copeland Borough Council will not accept deliberate manipulation and fraud – and any business caught falsifying their records to gain a grant will face prosecution. Any funding will be subject to claw back, as will any grants paid in error.
- 12.2 The governments Grant Management and Counter Fraud Function has been made available to assist local authorities in identifying fraud swiftly.

13. Monitoring & Review

- 13.1 This policy will be reviewed on a regular basis and updated as appropriate to ensure it remains fit for purpose.

14. Data Protection and Sharing Information

- 14.1 The information provided by the Business, or applicant on their behalf, will be treated as confidential in accordance with the law. The Council has a duty to protect the public funds it administers, and may use information held about the business where the law permits, including but not limited to the prevention and detection of fraud. This may include sharing information with other council services and other organisations who administer public funds.

15. Government Guidance

- 15.1 The full government guidance can be viewed here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/887310/local-authority-discretionary-fund-la-guidance-v2.pdf