



NEW FOREST DISTRICT COUNCIL

DISCRETIONARY GRANT FUND SCHEME

1. Business Support – Discretionary Funding scheme

- 1.1 In response to the Coronavirus, 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. This additional funding scheme is aimed at supporting small businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund or unable to access other grant or income support funding.
- 1.2 This additional fund is aimed at supporting small businesses located within the New Forest district with ongoing fixed property-related costs and who have had a significant fall in income due to COVID-19. New Forest District Council has £2M in additional funding available. Section 1 of the Localism Act 2011 provides all local authorities with the vires to make these payments. It is not anticipated that further grants will be awarded once the funding has been used. These grants will be given on a sliding scale in line with the monthly fixed overheads of the business as tabulated below

2. Grant amounts

- 2.1 Grants to be awarded under this scheme will be on a scale depending on the fixed monthly overheads*. The allocation of the grant will be as follows:

Fixed Monthly Overheads	Grant
£750 or below	£2,500
£751 to 1,500	£5,000
£1,501 to £2,500	£7,500
£2,501 or above	£10,000

*Fixed monthly overheads for the purpose of this grant only includes rent, rates, electricity, gas, water, business insurance and council tax (if applicable).

3. Application period

- 3.1 Businesses must complete an online application form and submit their supporting information to apply for the grant which will be available on the council's website for 2 weeks. The online application form will be available during week commencing 25 May 2020.

4. Payment

- 4.1 All payments will be made via BACS (as soon as practicable after the close date) and the business must provide bank details for payment. An application must be completed, with information required to access the grant fund.
- 4.2 Business must adhere to the following criteria to be applicable for the grant:

- Have less than 50 employees
- Be trading on 11 March 2020
- Be a small or micro business (see 4.3 and 4.4 below)
- Not be in administration, insolvent or a striking-off notice has been made.
- Occupy a property, or part of a property,
- Have a rateable value or annual rent or annual mortgage payments below £51,000.
- Able to evidence of substantial loss of income due to COVID-19 impact (via comparative year-on-year bank statements)
- Able to evidence total monthly fixed property overheads
- Not be a business which operates from a home (not applicable to B&B)
- Not be a precepting authority
- Not go over state aid limits (see state aid limit below)
- Only one grant per business regardless of properties
- Not be in receipt of **or eligible** for support from any central government COVID-19 related scheme; such grant schemes include but are not limited to:
 - Self-Employment Income Support Scheme
 - 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

4.3 Definition of a small 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

4.4 Definition of a micro-business

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

5. Assessment of applications

5.1 Applications will be assessed by the Council as follows:

Government guidance states applications from the following businesses will be given priority over all other applications. In order of priority:

1. Bed and breakfasts that pay council tax rather than business rates and who provide serviced accommodation with breakfast, is a member of a recognised tourism trade body and are registered with the council as a food hygiene business.
2. Small businesses in shared offices or other flexible workspaces. Examples could include units in industrial parks and incubators which do not have their own business rates assessment
3. Small charity properties that would meet the criteria for Small Business Rates Relief or Rural Rate Relief (who have a ratable value of £1 to £14,999 and no other property)
4. Regular market traders (must have a permanent structure be registered in the district and be trading 5 days per week)

5.2 Once the applications from businesses in the above categories have been assessed for the grant, and should there be funding available, any other applications will be prioritised as follows:

1. Businesses which are linked to the retail/hospitality sector
2. Businesses which have been impacted by the cancellation of events
3. Businesses that are unable to trade at all and do not have an online presence
4. Provision of support for childcare who are Ofsted registered.

5.3 Our priorities

- We will prioritise businesses with more employees over those with less to reduce the unemployment effect if the business was to close.
- If the business is the only type in the district or rural area, this will be prioritised as this may have an impact on the local people and the district

6. Applications

6.1 All applications will be reviewed and checked against the information provided (evidence of fixed property overheads and substantial loss in income sustained). Awards will then be given based on the priority order noted above. All applicants will be notified of our decision whether to award a grant decision, and where it is not awarded, we will provide an explanation.

7. Funding

- 7.1 The fund is limited therefore once the funding has been distributed there will be no additional grants paid. A further round of applications will be offered if, following the first round of applications, the funding has not been fully utilised, by application as above in line with the priorities and scheme principles until the funding limit is reached.

8. 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. Only businesses which make an overall profit once grant income is included will be subject to tax.

9. State Aid

- 9.1 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, subject to regulation by the EU Commission. New Forest District Council must be satisfied that all State aid requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved COVID-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission.
- 9.2 New Forest District Council have a discretion to make payments to eligible recipients under either the De Minimis rules or the COVID-19 Temporary Framework for UK Authorities (provided all the relevant conditions are met).
- 9.3 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. Payments of up to and including £25,000 (or where the De Minimis threshold has been reached) should be paid under the COVID-19 Temporary Framework for UK Authorities.

10. Fraud

- 10.1 The council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error. All applicants' information will be shared with the Government Grants Management team to enable any fraud to be identified. All businesses will confirm this by ticking the box on the application.

11. Decisions and appeals

- 11.1 There are no further appeals rights for the grant, the Council's decision is final. The council may use discretion to award a different grant amount to those stated above depending on the number of grants received and where it considers appropriate to enable the council to support more businesses.
- 11.2 The Service Manager for Revenue and Benefits reserves the right to make minor changes to this scheme as necessary in consultation with the Portfolio Holder for Finance, Investment and Corporate Services, and Portfolio Holder for Economic Development.