

Guidance for applications Stockport Council for Phase Four of the for Local Authority Discretionary Grants Fund.

Introduction

1. The Council has already administered three phases of the Local Authority Discretionary Grants Fund. The Council gave an undertaking that if there were funds left over after processing these phases of applications, it would make a further phase of the scheme available which would open the scheme to further applications from additional businesses that meet the eligibility requirements.
2. This guidance is intended to support Stockport based businesses applying to Stockport Council for a grant from phase four of the Local Authority Discretionary Grants Fund announced by the Government on 1 May 2020.
3. This guidance sets out the criteria under which businesses will qualify to make an application to the fourth phase of the Local Authority Discretionary Grants Fund, the evidence required to support an application, and is aligned with the Government guidance issued on 13/05/2020.
4. This is an additional fund to the Small Business Grant Fund (SBGF) or the Retail Hospitality and Leisure Grant Fund (RHLGF), and the fourth phase is aimed at certain small and micro businesses which:
 - a. are 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 for properties with an annual rateable value up to £51,000 per annum, and which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis, or;
 - b. registered Stockport based businesses that have not had access to any other financial support, including people working from home, who can evidence that they have suffered reduced income as a result of the Covid-19 pandemic. These businesses will be eligible for a fixed grant of £2,000.

Scope and eligibility

1. The Government guidance issued on 13/05/2020, and the subsequent FAQ clarifications, gives the Council discretion over the grant scheme, and its decisions regarding the scheme will be final. The aim of the fourth phase of the Stockport scheme is to provide help with fixed property costs for those businesses that have relatively high ongoing, fixed property-related costs for properties with an annual rateable value up to £51,000, and to support other small and micro businesses that have not had access to any other financial support.

2. Under the guidance issued to the Council by the Government, it has been determined that the small businesses to be prioritised for access to the funding are:

- 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 or annual rent or annual mortgage payments below £51,000.
- Small businesses in shared offices or other flexible workspaces.
- Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.
- Hospitality and leisure sector businesses with rateable values up to £150,000 p.a. but excluding national chains, which meet the criteria for being a small business as set out in this guidance.

Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:

- a. as restaurants, cafes, drinking establishments, cinemas and live music venues,
- b. for assembly and leisure; or
- c. as hotels, guest & boarding premises and self-catering accommodation.

- We consider assembly and leisure to mean:
 - i. Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).
 - Sports grounds and clubs
 - Museums and art galleries
 - Nightclubs
 - Sport and leisure facilities
 - Stately homes and historic houses
 - Theatres
 - Tourist attractions
 - Gyms
 - Wellness centres, spas, massage parlours
 - Casinos, gambling clubs and bingo halls
 - ii. Hereditaments that are being used for the assembly of visiting members of the public.
 - Public halls
 - Clubhouses, clubs and institutions

- Registered businesses that have not had access to any other financial support.
3. 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. 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. To be eligible to apply for a grant under this phase of the scheme, a small business must either:
 - Have a rateable value up to, but not exceeding, £51,000 per annum, or £150,000 for hospitality sector businesses.
 - Have been trading on 11th March 2020.
 - Be small, with fewer than 50 employees, or full time equivalent numbers.
 - Have relatively high ongoing fixed property-related costs, and;
 - They must also be able to demonstrate that they have had a significant drop of income due to Coronavirus restriction measures.
 - Be a registered Stockport based business that has not been able to access any other financial support, including those based at home, self employed who have not had access to the Self Employed Income Support Scheme (SEISS), and those whose fixed property costs are below the previous £250 per month de-minimis level required by the scheme. This category of applicants will be in scope to receive a fixed grant of £2,000 from the scheme's funding if they complete a declaration to say that their income has been significantly reduced as a result of the impact of Covid-19 and provide bank statements supporting this.
 - If you do not provide the declaration and evidence of significantly reduced income then you may not receive a grant.
 6. This grant funding is for businesses that are not eligible for other support schemes. Businesses which have received cash grants from any central government COVID 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
7. Businesses who have applied for the Coronavirus Job Retention Scheme are eligible to apply for this scheme.
 8. Businesses who are eligible for the Self-Employed Income support scheme (SEISS) are eligible to apply for this scheme as well. Applicants for the £2,000 fixed grant who have already received funding from the SEISS will be considered after those who have not received any financial support.
 9. Businesses that were eligible to apply for a discretionary grant under the previous phases of this scheme, but who did not apply by the application deadline for those phases, may apply under phase four.
 10. Only businesses which were trading on 11 March 2020 are eligible for this scheme.
 11. Exclusions to Phase four of this discretionary Grant Scheme:
 - Hereditaments occupied for personal uses. Examples of where there may be personal use include private stables and loose boxes, beach huts and moorings.
 - Car parks and parking spaces.
 - For the avoidance of doubt, businesses which as of the 11 March were in liquidation or were dissolved will not be eligible. 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 Council's approach

12. In order to ensure all eligible businesses have the opportunity to apply for the scheme, the Council is administering a phased approach to the grants scheme to assess and quantify the level of demand for funding from businesses that fall within the priority areas set out in the Government guidance and meet the eligibility criteria and evidence requirements set out above.
13. In phase four of the scheme, the Council will be processing applications and deciding on grant allocations on a first come first served basis. There will be a fixed window for applications for the grants to be made and the Council

reserves the right to close the phase four of applications early if the funds are exhausted before the application deadline.

14. If the funding runs out during the phase, then applicants will not be able to receive funds and, therefore, making an application does not guarantee that a grant will be paid.
15. In line with the guidelines, this phase will include any businesses falling within the following categories:
 - Small businesses in shared offices or other flexible workspaces. Examples could include mills, 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.
 - Registered Stockport based businesses that have not been able to access any other financial support, including those based at home, self employed who have not had access to the Self Employed Income Support Scheme (SEISS), and those whose fixed property costs are below the previous £250 per month de-minimis level required by the scheme.
16. The fourth phase will be open to all business categories which meet the scope and eligibility criteria set out in 1 to 11 above, and for the previous three phases of the scheme.
17. Applicants for the £2,000 fixed grant who have already received funding from the SEISS will be considered after those who have not received any financial support.
18. The Council reserves the right to vary the terms of the scheme at any time, and without notice, should it be necessary to do so.
19. There will be a fixed window for applications for the grants to be made and the Council reserves the right to close the phase four of applications early if the funds are exhausted before the application deadline.
20. The Council will not approve or make payment of a further grant to a business that has already received a grant or partial grant passed on by a landlord under one of the schemes mentioned in 6 above. Businesses that have not previously been able to apply for a grant in their own right as they do not have a separate rating assessment, may now apply to this scheme if they meet all of the other eligibility criteria set out in this guidance, and have not received

payments under any other scheme (except for the Job Retention Scheme or the Self-Employed Income support scheme).

Evidence Required

21. In order for the application to be considered, we require businesses to demonstrate that they meet the eligibility criteria above. We anticipate that to do this, you will need to provide:

- Evidence of fixed property costs such as rent, rates or mortgage payments, service charge, utilities and property costs totalling above the de minimis level of £250 per month. This should take the form of leases/agreements showing an obligation to pay, copies of bills and bank statements showing that payments have actually been made.
- Evidence to demonstrate a substantial loss in income as a result of the current situation. This is likely to be in the form of filed 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 Section 6 above.
- Confirmation of State Aid compliance.
- Applicants for the £2,000 fixed grant will need to complete a declaration to say that their income has been reduced as a result of the impact of Covid-19 and provide bank statements supporting this for the period of three months from April 2020 to June 2020, as well as bank statements for the same period in 2019 to show that there has been a significant reduction in income due to the Covid-19 pandemic.

The level of grant awarded to applicants looking for support with fixed property costs will be related only to the equivalent of three months of fixed property costs. Providing evidence of reduced income due to Covid-19 is a qualifying criteria to be eligible for the grant but the scheme is only supporting fixed property costs for businesses and it is not providing compensation for loss of income or any costs other than fixed property costs.

The level of grant awarded to applicants applying as a registered Stockport based businesses that have not been able to access any other financial support, including those based at home, self employed who have not had access to the Self Employed Income Support Scheme (SEISS), and those whose fixed property costs are below the previous £250 per month de-minimis level required by the scheme, will be a fixed grant of £2,000. You must complete the declaration to say that your income has been significantly reduced as a result of the impact of Covid-19 and provide the bank statements asked for above, to evidence this.

State aid

22. There is a requirement for all grants made under this scheme to be state aid compliant, please see the further guidance on this at this link – [State Aid Guidance](#)

Grant Amounts and how payments will be made

23. The Council has access to limited funds from Government for this scheme and it is expected that most grant allocations made will be under £10,000. The maximum allocation permitted of £25,000 will only be made in very exceptional circumstances.
24. In order for the Discretionary Grant to benefit the maximum number of eligible small businesses, it is proposed to have 6 levels of grant, 5 of which will directly be proportionate to the level of property costs for the business, and take into account the impact on income due to the Corona Virus crisis. This is so that the grant can be proportionate to the property costs of the business and take into account the loss of income experienced. The sixth grant level is a fixed award of £2,00 for a registered Stockport based businesses that have not been able to access any other financial support, including those based at home, self employed who have not had access to the Self Employed Income Support Scheme (SEISS), and those whose fixed property costs are below the previous £250 per month de-minimis level required by the scheme.
25. The grant levels are:
- £2,000 fixed grant for a registered Stockport based businesses that have not been able to access any other financial support, including those based at home, self employed who have not had access to the Self Employed Income Support Scheme (SEISS), and those whose fixed property costs are below the previous £250 per month de-minimis level required by the scheme.
 - £2,500 grant
 - £5,000 grant
 - £7,500 grant
 - £10,000 grant
 - £25,000 grant
26. A de-minimis level will apply to this scheme for businesses with properties that have a separate rateable value for business use.

Applicants will need to be paying at least £250 in fixed property costs per calendar month for their business premises to qualify to apply for a grant.

The de minimis requirement does not apply for applicants applying as a registered Stockport based businesses that have not been able to access any other financial support, including those based at home, self employed who have not had access to the Self Employed Income Support Scheme (SEISS), and those whose fixed property costs are below the previous £250 per month de-minimis level required by the scheme.

27. To manage the risk of oversubscription to the scheme in phase four, it is proposed that a “first come, first served” approach is adopted to allocate funds until they are exhausted. The online application system records and allocates case reference numbers in the order in which they are received. However, businesses which have already received the Self Employed Income Support Scheme (SEISS) will not be awarded any funding until the application window closes, prioritising businesses which have received no funding at all.
28. Annual property cost will include rent, mortgage payments, utilities costs (including a fixed land line, broadband connectivity, alarm and security contracts and maintenance, commercial waste collections costs, but not mobile phones), service charge, property insurance, and rates. If a business is in a sector that has not been allowed to open or 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 a business still able to operate but at a reduced level. This will be considered in confirming the grant amount to be offered.
29. Applications for the grant can be made online at <https://www.stockport.gov.uk/support-for-businesses-and-employers/discretionary-grant-scheme> and payments will be made directly to approved recipients’ bank accounts by electronic transfer through a BACS payment.

Proposed timeline for the grant scheme (these dates may change to accommodate the release of the online application form by the supplier and applicants should check this guidance regularly for updates)

30. The timeline for phase three of the scheme is:
- Guidance for the scheme is published and promoted to businesses - Tuesday, 14th July, 9am.
 - Applications open – Tuesday, 14th July, 9am.
 - Application window closes – midnight on Friday 07/08/2020.
 - Payment of grants – from the point of agreement onwards.

Other information

31. 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.
32. The Government and the 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.
33. State Aid rules and requirements apply to this grant scheme.
34. The Council does 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.
35. Enquiries about the scheme can be emailed to SKLADGRANTS@stockport.gov.uk