

COVID-19 Business Support Grants:

Chesterfield Borough Council Discretionary Grant Fund Scheme

1.0 Introduction

- 1.1 On 1 May 2020, Government announced the launch of a new Covid-19 Business Support grant, known as the Local Authority Discretionary Grant Fund. This is an additional fund to the Small Business Grant Fund (SBGF) and the Retail Hospitality and Leisure Grant Fund (RHLGF) which already provide grants of £10,000 or £25,000 to eligible Chesterfield businesses to help support them during the Covid-19 pandemic.
- 1.2 The Local Authority Discretionary Grant Fund is aimed at small and micro businesses who are not eligible to receive SBGF and RHLGF grants, but who have high ongoing, fixed property-related costs, and who can demonstrate that they have suffered a significant fall in income due to the COVID-19 pandemic.
- 1.3 Chesterfield Borough Council has been allocated a minimum fund of £1,267,500 from Central Government. This fund may increase to a maximum of 5% of the value of grants paid to businesses through the SBGF and RHLGF schemes, if the value of grants awarded exceed £25,350,000.
- 1.4 Chesterfield Borough Council is responsible for administering the Discretionary Grant Fund to businesses located within its boundaries.
- 1.5 This scheme sets out the criteria under which businesses will qualify to make an application to the Chesterfield Borough Council Local Authority Discretionary Grants Fund, and the evidence which will be required to support an application.

2.0 Scope of the Fund

- 2.1 The Government guidance issued on 13 May 2020 gives the Council discretion over the grant scheme, and its decisions regarding the scheme will be final.
- 2.2 In its guidance, the Government has however determined that the following businesses should be afforded priority access to the funding:
 - 2.2.1 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.
 - 2.2.2 Businesses with relatively high ongoing fixed property-related costs.
 - 2.2.3 Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 pandemic.
 - 2.2.4 Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.
 - 2.2.5 Small businesses in shared offices or other flexible workspaces. Examples could include units in Innovation Centres, industrial parks and incubators which do not have their own business rates assessment.
 - 2.2.6 Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment
 - 2.2.7 Bed & Breakfast businesses which pay Council Tax instead of business rates

- 2.2.8 Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.
- 2.3 To be a small business, under the Companies Act 2006, a business must satisfy two or more of the following requirements in a year—
 - 2.3.1 Turnover: Not more than £10.2 million
 - 2.3.2 Balance sheet total: Not more than £5.1 million
 - 2.3.3 Number of employees: a headcount of staff of less than 50
- 2.4 To be a micro business, under the Companies Act 2006, a business must satisfy two or more of the following requirements in a year—
 - 2.4.1 Turnover: Not more than £632,000
 - 2.4.2 Balance sheet total: Not more than £316,000
 - 2.4.3 Number of employees: a headcount of staff of not more than 10
- 2.5 To be eligible to apply for a grant under this scheme, a small business must:
 - 2.5.1 Have been trading on 11 March 2020
 - 2.5.2 Be small, with fewer than 50 employees
 - 2.5.3 Have ongoing fixed property-related costs of £250 per month or higher

2.5.4 Be able to demonstrate that they have had a drop in income of 20% or more due to Coronavirus restriction measures.

2.6 Businesses who have applied for the Coronavirus Job Retention Scheme (enabling furlough of staff) or the Self-Employed Income Support Scheme may apply for funding from the scheme.

2.7 Businesses which have received cash grants from other central government COVID-19 related schemes 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

2.8 Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.

3.0 The Council's approach

3.1 The Council will accept applications for the scheme from 5 June 2020 and will close the scheme on 17 June 2020.

3.2 Initially the focus will be on businesses that fall within the priority areas set out in the Government guidance and that also meet the eligibility criteria and evidence requirements set out above i.e. businesses falling within the following categories:

- 3.2.1 Small businesses in shared offices or other flexible workspaces. Examples could include units in industrial parks, science parks, colleges and incubators which do not have their own business rates assessment
- 3.2.2 Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment. This includes market traders with lock up premises located within Chesterfield borough;
- 3.2.3 Bed & Breakfasts which pay Council Tax instead of business rates and who were registered as a food business with Chesterfield Borough Council on or before 11 March 2020.
- 3.2.4 Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief.
- 3.3 After the Council has processed and decided on grant allocations for all applications received by 17 June 2020, there will be an assessment of whether there is any Government funding left. The Council may then offer future phases of grant funding and further information about this will be publicised at the appropriate time.
- 3.4 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.
- 3.5 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 at paragraph 2.7 above.
- 3.6 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 Coronavirus Job Retention Scheme or the Self-Employed Income Support Scheme).

4.0 Evidence required

4.1 In order for applications to be considered, we require businesses to demonstrate that they meet the scheme's eligibility criteria. To do this, businesses will need to provide:

4.1.1 Evidence of property costs such as rent, rates or mortgage payments above the de minimis level of £250 per month. This should take the form of leases/agreements showing an obligation to pay and bank statements showing that payments have been made

4.1.2 Evidence to demonstrate a substantial loss in income as a result of the current situation. This is likely to be in the form of management accounts for previous years and management accounts/bank statements for the current period

4.1.3 Evidence of complying with the definition of a Small or Micro Business

4.1.4 Confirmation that the business has not received any grant under the grant schemes mentioned in paragraph 2.7 above.

4.1.5 Confirmation of State Aid compliance

5.0 State aid

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

6.0 Grant amounts and how payments will be made

6.1 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.

6.2 In order for the Council's Discretionary Grant Fund scheme allocation to benefit the maximum number of eligible small businesses, there will be 5 levels of grant award, which will be awarded having due regard to the level of property costs for the business and taking into account the loss of income experienced by the business due to the Coronavirus pandemic. The likely grant levels are:

- Tier 1 up to £2,500 grant
- Tier 2 up to £5,000 grant
- Tier 3 up to £7,500 grant
- Tier 4 up to £10,000 grant
- Tier 5 £25,000 grant

6.3 The level of award will be determined on the basis of the following grid.

<i>Impacts</i>	<i>Question</i>	<i>Answer</i>	<i>Score</i>	<i>Weighting</i>
Number of employees	How many employees do you have?	0	0	3
		1-2	1	
		3-10	3	

	(no of FTE)	11-49	5	
Level of property costs	What are your annual business premises costs? (see paragraph 6.5)	<£3000 <£5000 £5001 - £15000 >£15001	ineligible 1 3 5	3
Trading status	Impact of COVID-19 on trading	Open throughout/full trading Partial trading / recently opened / restricted to trading online Closed throughout / no trading	1 3 5	1
Financial impact	Impact on turnover	50% + down 49 – 31% down 30 – 20% down	5 3 1	2
	Is this your sole source of income	Sole Primary >50% <49 – 33% <33%	5 3 1 0	1
Score	Level of grant applicable			
<20	Tier 1			

21 - 29	Tier 2
30 - 39	Tier 3
40 - 49	Tier 4
50	Tier 5

- 6.4 Annual property costs will include rent, mortgage payments, insurance, and rates.
- 6.5 Application forms can be downloaded from the Chesterfield Borough Council website and payments will be made to eligible businesses by cheque.
- 6.6 For clarity, the following businesses will not be eligible for funding at this time.
- Casual market stallholders
 - Mobile and festival catering outlets
 - Care homes
 - Land based businesses operating from agricultural property
 - Landlords and property developers
 - B&B's not registered as a food business with Chesterfield Borough Council
 - Home offices/workers
 - Businesses which have received a grant from another local authority
- 6.7 Applications from the following services occupying property with a combined rateable value or annual rent of less than £15,000 and who are ineligible for support from the Government's Retail, Hospitality and Leisure Grant or Small Business Grant Funds will not be considered at this time:
- Professional services e.g. solicitors, accountants, insurance agents / financial advisors

- Medical services e.g. vets, dentists, doctors, osteopaths, chiropractors
- Financial services e.g. banks, building societies, cash points, bureaux de change, short-term loan providers
- Post office sorting offices
- Nurseries

7.0 Timeline for the grant scheme

7.1 The timeline for the scheme is:

- Scheme launched 5 June 2020
- Scheme reviewed week commencing 15 June 2020
- Scheme closed 17 June 2020
- Payment of grants made from 18 June 2020

8.0 Other information

8.1 Grant income received by a business is taxable, therefore funding paid under the Local Authority Discretionary Grants Fund scheme will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

8.2 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.

8.3 All successful businesses will be required to declare that by accepting the grant payment, the business confirms that they are eligible for the grant scheme, including that any payments accepted will be in compliance with State Aid requirements.

8.4 All successful businesses will be required to make a declaration that the business is a small or micro business, as defined in

Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006.

- 8.5 All successful businesses will be required to make a declaration that the business has not received or is not eligible to receive any other government grants listed in paragraph 2.7.
- 8.6 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.
- 8.7 After the Council has processed and determined applications from the initial round, consideration will be given to a further call subject to availability of funds. Should this be possible, further information will be published on the Chesterfield Borough Council website at the appropriate time.
- 8.8 Enquiries about the scheme should be emailed to discretionarygrant@chesterfield.gov.uk