



COVID-19 DISCRETIONARY BUSINESS GRANTS FUND

Guidance for Applicants

1 June 2020

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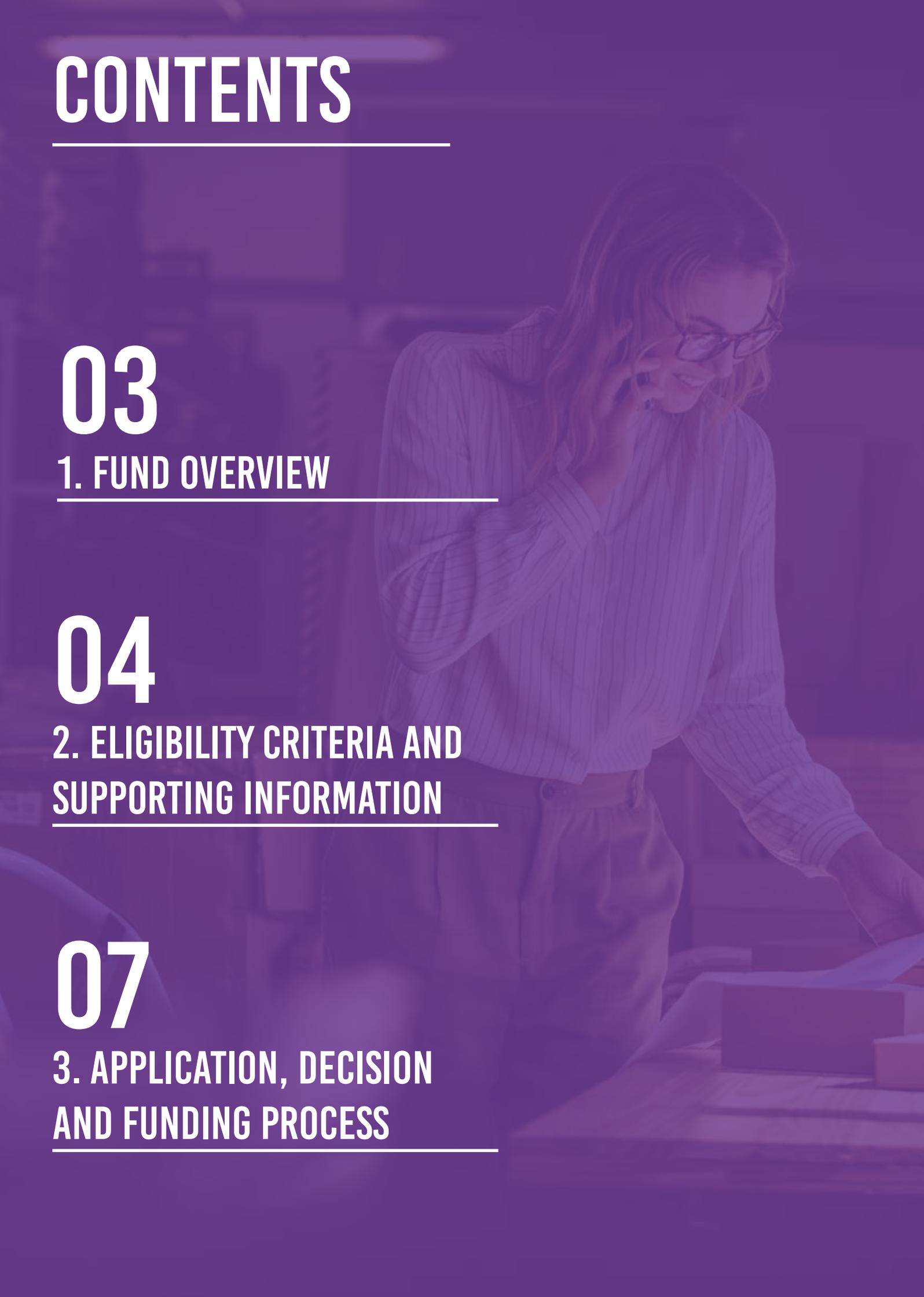
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1. FUND OVERVIEW

In response to the coronavirus (Covid-19) outbreak, 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 fund is aimed at small and micro businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund.

Portsmouth City Council has received £1.9m to allocate to businesses.

Who can access this fund?

Although this is a discretionary fund government has stipulated that these grants are primarily and predominantly aimed at:

- 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)

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**

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**

- 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.

Government has also asked local authorities to prioritise the following types of businesses for grants from within this funding pot:

- Small businesses in shared offices or other flexible workspaces (for example 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 and breakfasts which pay council tax instead of business rates
- 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. ELIGIBILITY CRITERIA AND SUPPORTING INFORMATION

National eligibility criteria

To be eligible businesses must meet the following criteria

- Businesses must have been trading on 11 of March and be able to prove it.
- Businesses must not be in administration or be insolvent or where a striking-off notice has been made.

This grant funding is for businesses that are not eligible for other national and local schemes designed to support specific areas of the economy.

Businesses that have received cash grants from any central government Covid-related scheme **are not eligible** 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.

The Government has set out additional criteria which again all businesses must comply with to be eligible.

- Businesses must have high on going fixed building costs such as rent, rates, storage fees, mooring fees, mortgage costs or council tax and provide evidence of these costs.
- Businesses must show significant fall in income directly related to Covid-19 and provide evidence to substantiate this by providing comparative information to a similar period in previous years using Audited Accounts or equivalent. Ideally, this evidence will cover all or part of the last three years.
- Businesses need to show if they have had to close and for what period. If you have been able to trade online, you may still be eligible for the scheme if your income has been significantly affected.

Use of other support schemes

This grant funding is for businesses that are not eligible for other national and local schemes designed to support specific areas of the economy.

Businesses that have received cash grants from any central government Covid-related scheme are **not eligible** 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.

Businesses that have applied for the Coronavirus Job Retention Scheme or the Self-employment Income Support Scheme **are eligible** to apply for this scheme.

Local businesses that have used the [Portsmouth City Council Pay It Forward Crowd-funder scheme](#) **are eligible** for this discretionary grant. If successful, they will receive a top up payment to add to any council contribution already made.

For example, if an applicant is assessed to be eligible for a grant of £2,500 and has already received £1,000 from the council through the Pay It Forward scheme, will receive a £1,500 'top up' from the discretionary grant fund.

Portsmouth City Council criteria

If there is greater demand than the money available, further prioritisation and scoring will be used against the following 10 criteria.

- Small businesses that can't access Small Business Rates Relief because they occupy a second property, but have a combined rateable value below £15,000
- Businesses where the service provided primarily provides a community benefit to the residents of Portsmouth e.g. supports vulnerable or disadvantaged groups
- Businesses that operate within key sectors of strategic interest for the Solent, including marine and maritime, aerospace, engineering, advanced manufacturing and creative industries
- Businesses that provide learning opportunities for all sections of the community
- Businesses that support leisure, community and cultural facilities
- Businesses that are part of a local organisation, which do not have other businesses in UK or abroad
- Businesses that are unable to trade at all and do not have an online presence
- Businesses that are in the supply chain of or are linked to the retail, hospitality or leisure sector, therefore income is more effected by the Covid-19 restrictions.
- Priority will be given to businesses with more employees over those with fewer to reduce the unemployment effect if the business was to close.
- Priority will be given if a business is the only type in the city to minimise the impact of closure of that business on the city economy

Awards will then be given based on the priorities set out in this guidance. All applicants will be contacted to be informed if a grant has been awarded or declined with an explanation.

Grants available

Grants to be awarded under this scheme will be on a scale depending on the monthly fixed property costs. Subject to the fund not being oversubscribed, the allocation of the grant is intended to be as follows:

Fixed monthly property costs	Indicative 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 property costs for the purpose of this grant only includes rent, rates, storage costs, mooring fees, mortgage costs and council tax (if applicable). Evidence from the financial year 2019/20 needs to be provided.

Exceptional grants

The council may award a grant up to a maximum of £25,000 in exceptional cases in any sector of the economy of the city where a business can demonstrate that their business needs greater support and that it delivers services crucial to the economy of Portsmouth.

Additional criteria for specific sectors

Bed and breakfast accommodation paying council tax

- The percentage use of the property and the number of rooms available for bed and breakfast will be part of the scoring criteria.
- Evidence will be required, such as planning permission or environmental health registration, to show the premises is used as a bed and breakfast.

Regular market traders - maximum grant of £1,000 per market pitch

- Market traders must show that they are regular traders by showing their licence and must have been trading on a weekly basis on a market in Portsmouth for at least six months prior to 11 March 2020.

The grant will be a maximum of £1,000 per pitch for traders who trade two or three days a week (when the trader only trades one day per week this will be a maximum of £500 per pitch). Where traders have multiple pitches the maximum total grant awarded will be £5,000.

Timescales

Businesses must complete an application form by 4.30pm on Monday 22 June 2020.

The form will be available on the council's website at www.portsmouth.gov.uk/discretionary-grant-covid

The fund is limited - when the fund has been fully allocated there will be no additional grants paid.

The fund may be re-opened for further rounds of applications if, following the first round of applications, the funding has not been fully utilised by eligible applicants, until the funding limit is reached.



3. APPLICATION, DECISION AND FUNDING PROCESS

Fund Application

Please apply using the on-line form on this web page: www.portsmouth.gov.uk/discretionary-grant-covid

Once received, applications will be scored using a scoring matrix based on the criteria set out above.

You must attach evidence to substantiate the information in your application form. Failing to do so will weaken your application and reduce the chance of receiving a grant.

As part of the assessment, you may be asked for additional information to support your application. This scheme is funded directly by Government and therefore there is a requirement for proper and proportionate due diligence.

The decision of the assessors is final.

There is no provision to appeal. If your application fund meets the criteria and is awarded funding, you will be contacted to confirm the amount.

Release of funds

All payments will be made via BACS as soon as is possible. The business must provide bank details for payment, including a bank statement. An application must be completed with information required to access the grant fund.

Tax

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.

State aid

The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement state aid rules continue to apply during a transition period, subject to regulation by the EU Commission.

Portsmouth City 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.

Portsmouth City Council has 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).

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.

Fraud

The council will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain additional grant money will face prosecution. 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 form.



You can get this information in large print, Braille, audio or in another language by calling 023 9284 1193

Produced by: marketing@portsmouthcc.gov.uk • Published: **June 2020** • Ref: **173.119**