

Guidance for applications to Tameside Council for Local Authority Discretionary Grants Fund.

Introduction

1. This guidance is intended to support Tameside based businesses applying to Tameside Council for a grant from the Local Authority Discretionary Grants Fund announced by the Government on 1 May 2020.
2. This guidance sets out the criteria under which businesses will qualify to make an application to the Local Authority Discretionary Grants Fund, and the evidence required to support an application, and is aligned with the Government guidance issued on 13/05/2020 and updated in 22/05/2020.
3. This is an additional fund to the Small Business Grant Fund (SBGF) or the Retail Hospitality and Leisure Grant Fund (RHLGF), and it is aimed at certain small businesses who were 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, and which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis.

Scope and eligibility

4. The Government guidance issued on 13/05/2020 and updated 22/05/2020 gives the Council discretion over the grant scheme, and its decisions regarding the scheme will be final.
5. 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.
6. 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

7. 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

8. To be eligible to apply for a grant under this scheme, a small business must:

- Be a trading Business in Tameside
- Have been trading on 11th March 2020
- Be small, with fewer than 50 employees
- Have a Rateable Value below £51,000
- Have relatively high ongoing fixed property-related costs (over £1,000 per annum) in Tameside, and
- They must also be able to demonstrate that they have had a significant drop of income due to Coronavirus restriction measures.

9. 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

10. Businesses who have applied for the Coronavirus Job Retention Scheme are eligible to apply for this scheme. The Government issued a Version 2 of the Guidance on the 22 May to enable Self Employment Income Support Scheme applicants to be eligible to apply for this scheme also.

11. Only businesses which were trading on 11 March 2020 are eligible for this scheme.

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

Tameside Council's approach

13. In order to ensure all eligible businesses have the opportunity to apply for the scheme, the Council will administer a phased approach over 2 Rounds 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.

14. After the Council has processed and decided on grant allocations for all applications from Round 1, there will be an assessment of whether there is any Government funding left for Round 2. If all allocated funding is spent in Round 1 then Round 2 would not take place.

15. In line with the guidelines, Round 1 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; Exclusions include Businesses operating from domestic settings (including Airbnb operators) or those that do not have fixed, property related costs.
- 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.

16. 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.

17. 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, this will be reviewed via the application process (self-declaration) and landlords. 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 and Self Employment Income Support Scheme).

Evidence Required

18. 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 per business, per hereditament (Where an eligible business has more than one qualifying property in the borough, they will be eligible for 1 payment per property. Where multiple businesses operated from the same property, each distinct eligible business can receive one payment for their costs incurred at that property).

- Evidence of Tameside property costs such as rent, rates, utility or mortgage payments above £1,000 per annum. This should take the form of leases/agreements showing an obligation to pay 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 (10% fall in income in the period since 11 March 2020). This is likely to be in the form of filed accounts for previous years and management accounts/bank statements for the current period and or evidence that the business was to close to members of the public as a result of COVID19 by Government Guidance. Where a company does not have filed accounts for the previous year's management accounts and bank statements will be used.
- 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.
- Website or online sales catalogue in the first instance to prove sector (if manufacturing/engineering/digital and creative/construction).
- A contract (in place before 11 March 2020) to show obligation to acquire new premise (after 11 March 2020) and where appropriate evidence of relevant insurances (if business was trading before 11 March but was not in their current premise or a new owner has taken over the operation because they were contractually obliged to do so.

State aid

19. 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

20. 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.

21. In order for the Discretionary Grant to benefit the maximum number of eligible small businesses, it is proposed to have 4 levels of grant, which will directly be proportionate to the level of property costs for the business (based on evidence provided). Should the Council receive more applications than funding available the impact on income due to the Corona Virus crisis will be used to determine new grant levels. A business that has experienced a loss of income below 10% since March 11 2020 will not be eligible for the grant. The grant levels are:

Upto £1,000 grant
 Upto £5,000 grant
 Upto £10,000 grant
 £25,000 grant in exceptional circumstances*

In the event of over subscription The Council will alter the level (size) of grants awarded to eligible businesses based on the principle that we aim to support as many businesses as possible with this allocated funding. The Council will not be using any other funding other than the amount provided by Government to administer this scheme (£2,345,250).

Annual Property Related Costs	Level of TMBC grant (levels of grant subject to change based on oversubscription of applications)
£1,000 to £2,000 per year	Up to £1,000
£2,001 to £5,000 per year	Up to £5,000
£5,001 or more	Up to £10,000

*Grants of £25,000 will be made only in exceptional circumstances where a business can demonstrate property costs of over £25,001 and income fall over 95%, over a sustained 3 month period and demonstrate substantial benefit to the Tameside economy

22. If the fund is oversubscribed with the applications received, the Council reserves the right to amend the grant levels to a pro-rata basis, based on the applications received and approved, as a way of dealing with this situation, should it arise.

23. Annual property cost will include, rent, mortgage payments, insurance, utility 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.

24. Applications for the grant can be made online at <https://www.tameside.gov.uk/discretionarygrantfund>. and awards will be made directly to approved recipients' bank accounts by electronic transfer.

ROUND 1 IS NOW CLOSED - Proposed timeline for Round 1 of the grant scheme (these dates may change to accommodate the release of the online application form and applicants should check this guidance regularly for updates)

25. The timeline for the scheme is:

Applications open – Thursday, 4th June, 4pm.

Application window closes – Thursday, 18th June, 5pm.

Award of grants – from Monday 22nd June onwards.

Proposed timeline and criteria for Round 2 of the grant scheme

26. The second phase – Round 2 will enable increased local flexibilities and discretionary elements to be applied to the fund. However, this would need to be considered in light of the level of funding that is remaining from Round 1. It is likely that Round 2 will comprise of a number of grant priority area's that will be offered subject to funding. The priority areas are outlined below but they could be refined as more analysis takes place during phase 1.

27. Subject to the completion of Round 1 the proposed timeline for Round 2 of the scheme is:

Applications open – (25th June – 9th July 2020)

Application window closes – (9th July 2020)

Award of grants – (9th July 2020 onwards)

Round 2 eligible	Criteria (Criteria for Round 1 unless stipulated differently below)
Manufacturing and Engineering companies	Rateable value £15-51K (non-domestic trading properties are eligible, domestic trading properties are not eligible)
Digital and Creative	
Childcare (Nursery) providers	
Construction	
(PLEASE NOTE WE AWAIT FURTHER GOVERNMENT GUIDANCE ON ELIGIBILITY FOR THIS CATEGORY) Businesses (for clarity must be micro or small) awaiting Valuation Office assessment that subsequently were not eligible for a grant in RHLG or SBRR Grant	Rateable value will be unknown (non-domestic trading properties are eligible, domestic trading properties are not eligible)
(PLEASE NOTE WE AWAIT FURTHER GOVERNMENT GUIDANCE ON ELIGIBILITY FOR THIS CATEGORY) Businesses that were trading before 11 March but were not in their current premise or a new owner has taken over the operation (contractually obliged to do so)	Rateable value £15-51K Business trading before 11 March and new owner able to demonstrate contract in place prior to 11 March to trade from the hereditament applied for. (non-domestic trading properties are eligible, domestic trading properties are not eligible)
Registered Charities not supported under the Government set priority criteria	Registered Charity, (non-domestic trading properties are eligible, domestic trading properties are not eligible)

Other information

28. 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.

29. 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.

30. State Aid rules and requirements apply to this grant scheme; see the link attached for further details; [State Aid Guidance](#).

31. 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.

32. Enquiries about the scheme can be emailed to tamesidegrant@tameside.gov.uk