



## **London Borough of Sutton - Discretionary COVID Business Grant Fund - Guidance - Version 1**

- In May 2020, a new Discretionary Grants Fund was announced to support certain small and micro businesses that fell outside the scope of the current COVID grant funds schemes. In Sutton, the total fund available is approximately £1.27m.
- This guidance is aimed at businesses that wish to apply for Sutton's Discretionary Grant Fund. In order to apply, businesses must meet the criteria outlined below, and submit an application form and evidence.

### **Summary**

- The fund will open for applications on \*\*\* and close on \*\*\* (2 week period). Once the fund has closed, all applications will be assessed.
- The government has allocated a limited, fixed amount of funding to Sutton Council. If there is significant demand, not all eligible businesses applying will receive funding.
- If the number of eligible businesses applying exceeds the funding available, then awards will be allocated to businesses in the greatest financial hardship. All grant awards are to be made at the discretion of the local authority.
- If funding remains after the first round, the London Borough of Sutton may choose to reopen the fund, potentially with varied eligibility criteria or priorities.
- 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.
- If your application was successful, we will ask you to complete a State Aid declaration prior to the grant payment being made.
- If you have any queries please contact [discretionarygrant@sutton.gov.uk](mailto:discretionarygrant@sutton.gov.uk)



## Eligibility

- These grants are primarily and predominantly aimed at businesses which meet all of the criteria outlined below:
  - 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 linked to a commercial property. Building-related costs include: rent, mortgage payments, membership fees for shared work-space, building insurance and utility costs (awaiting FAQs from BEIS which may set out details)
  - 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.
  - Businesses can only receive one grant under the Discretionary Fund Business Grant.

**To be eligible you:**



- Must not be in receipt of grant funding from other central government COVID related schemes including the Small Business Grant Fund; and the Retail, Hospitality and Leisure Grant.
- Must have been trading on 11 March 2020.
- Must not be in administration, insolvent or have had a striking-off notice made both at the point of application, and when the grant is due to be paid.
- Must have a registered or trading address in the London Borough of Sutton.
- Note: Businesses who have applied for the Coronavirus Job Retention Scheme and the Self-Employment Income Support Scheme **are** eligible to apply for this scheme.

### **Types of business that may apply**

- Examples of the types of businesses that this funding scheme aims to assist in Sutton are;
  - Small businesses in shared offices or other flexible workspaces. Examples could include units in industrial parks, science parks and incubators which do not have their own business rates assessment;
  - Commercial properties that are not rated for NNDR purposes, and are exempted from NNDR (ie cafes in parks, small holdings, plant nurseries)
  - Bed & Breakfasts which pay Council Tax instead of business rates and appropriately registered, are wholly or mainly used as guest or boarding premises;
  - Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief
- The list set out above is not intended to be exhaustive but is intended to guide applicants as to the types of business that could apply for the scheme. All grants are provided at the discretion of the London Borough of Sutton, and eligible businesses that fall into the categories above are not guaranteed funding through this scheme.

### **Grants available**

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- The London Borough of Sutton wants the maximum number of businesses to benefit under this grant scheme. Therefore, the typical award made through the fund will be £5,000.
- An award of £10,000 or £25,000 may be made in exceptional circumstances. An alternative award of under £10,000 may also be made in exceptional circumstances.

### **Application Form**

- All businesses that wish to apply for the grant must complete an application form. Before you begin, you will need the following information to hand to complete the application:
  - Bank statements for the period 1 January 2020 to 31st May 2020 for the account into which you would like any grant to be paid.
  - Specific details and evidence of the fixed ongoing building-related costs (ie copy of signed lease, contract, licence, membership of co-working or mortgage agreement, building insurance documentation).
  - Xero / Sage / Quickbooks or equivalent Profit and Loss summary from April 2019 to March 2020
  - Xero / Sage / Quickbooks or equivalent Balance Sheet
  - Your last years audited accounts (if applicable)
  - Company details
  - Registered address
  - Trading addresses
  - Number of employees
  - Company registration number
  - Business rates account number (if applicable)
  - Turnover for last year of audited account
  - Balance sheet total for last year of audited accounts
  - Business bank account details which the grant would be paid into if successful
- Please be aware that we may contact you for further information or evidence if needed to process your application.
- We will use details you have provided in your application to carry out further checks.

### **State Aid / Payment Checks**

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- This grant funding is subject to State Aid. On application/if successful you will be asked to confirm that this funding will not exceed the maximum permitted funding under the relevant State Aid rules – EUR 200,000 over three years under the De Minimis Regulation, or EUR 800,000 under the COVID-19 Temporary Framework scheme for the UK (different thresholds apply to agriculture, fisheries and aquaculture business).
- The government 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.
- Post payment checks using the government Grants Management Function and Counter Fraud Function will support local authorities to carry out post-event assurance work to identify high risk payments.
- 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.

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