



## **Guidance for application to London Borough of Hillingdon's Discretionary Grants Fund For Businesses (Second Tranche Payment)**

### **Introduction**

1. This guidance supports Hillingdon based businesses applying to London Borough of Hillingdon 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 May 2020.
3. This is an additional fund to the Small Business Grant Fund (SBGF) or the Retail Hospitality and Leisure Grant Fund (RHLGF). The fund 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. Further details are set out in paragraph 8 below.

### **Scope and eligibility**

4. 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.
5. The council had previously issued guidance and invited applications in respect to tranche 1 of the scheme. The window of application for tranche 1 was 5 June 2020 to 19 June 2020.
6. The council has now amended the guidance to reflect some changes to the eligibility criteria and invite further applications from businesses for the remaining funding available.
7. Those businesses that applied for the 1st tranche and were unsuccessful need not reapply. They will be automatically reconsidered under these new guidelines.
8. 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
9. 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
10. 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
11. To be eligible to apply for a grant under this scheme, a small or micro businesses as defined above must:
- Have been trading for at least 6 months on 11th March 2020;
  - Be small, with fewer than 50 employees,
  - Have relatively high ongoing fixed property-related costs with a de minimis set at £200 per month
  - They must also be able to demonstrate that they have had a drop in income of over 30% income due to Coronavirus restriction measures.
12. 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.
13. 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
14. Businesses who have applied for the Coronavirus Job Retention Scheme and the Self Employed Income Support Scheme (SEISS) are eligible to apply for this scheme.
15. Only businesses which were trading in Hillingdon on 11 March 2020 for six months ,or more, are eligible for this scheme.
16. Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.

17. Companies that are home based in domestic properties are not eligible.
18. Only one grant per eligible business will be payable under either tranche 1 or tranche 2 or any subsequent tranche should it be necessary to have a further tranche.

### **The council's approach**

19. In order to ensure all eligible businesses have the opportunity to apply for the scheme, the council will administer 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.
20. The council has processed and decided on grant allocations for all applications from the first phase, and as there are further funds available the council will be opening up a further phase of applications. The council may then offer future phases of grant funding and further information about this will be made available at the appropriate time, should it be required.
21. In line with the guidelines and the first phase, the second phase will be targeted at any businesses falling within the following categories:
  - 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;
  - 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.
22. 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.
23. 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 13 above or the first tranche of the discretionary scheme.
24. 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 Self Employed Income Support Scheme).

### **Evidence Required**

25. 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:

- Recent evidence of property costs such as rent, rates or mortgage payments above the de minimis level of £200 per month. This should take the form of leases/agreements showing an obligation to pay and bank statements showing that payments have actually been made for the last 3 months prior to lockdown.
- Evidence to demonstrate a substantial loss in income as a result of the current situation. The council has revised the level to 30% reduction as substantial. This is likely to be in the form of filed accounts for previous years and management accounts/bank statements for the current period (last six months).
- Evidence of complying with the definition of a Small or Micro Business. i.e details of balance sheet totals to demonstrate turnover and evidence of employees.
- Confirmation that the business has not received any grant under the grant schemes mentioned in 13 above.
- Confirmation of State Aid compliance.
- Details of the business bank account with evidence to verify the bank account details for payment purposes.

### **State Aid**

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

### **Grant Amounts and how payments will be made:**

27. 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**.

28. For businesses that have fixed costs /rental payments between the new £200 per month de-minimus and £399 per month, the grant payment will be capped at a maximum of **£5,000** and payments may be lower than this, depending on the volume of applications received.

29. Payments for businesses that have been trading less than 12 months but more than 6 months on 11 March 2020 will also be capped at £5,000 but may be lower depending on the volume of applications received.

30. In order for the Discretionary Grant to benefit the maximum number of eligible small businesses, it is proposed to assess demand and share the grant allocation between businesses. For this reason the council is unable to advise how much will be allocated to each business until all applications have been assessed for eligibility after the closing date given below.

31. A de-minimis level will apply to this scheme. Applicants will need to be paying at least £200 rent/fixed property costs per calendar month for their business premises to qualify to apply for a grant.

32. Applications for the grant can be [made on our website](#).

Payments will be made directly to approved recipients' bank accounts by electronic transfer.

33. 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)

34. The timeline for the scheme is:

- Applications open – 27 July 2020 at 10 am
- Application window closes – 9 August 2020 at 5 pm
- The council aims to pay grants as soon as possible after assessing all the applications received.

#### **Other information**

35. 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.

36. 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.

37. State Aid rules and requirements apply to this grant scheme.

38. Any decision that the council makes in respect of the distribution of this grant is final. There is no right of appeal under this scheme.

39. 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.

40. Enquiries about the scheme can be emailed to [grantsforbusiness@hillingdon.gov.uk](mailto:grantsforbusiness@hillingdon.gov.uk)