



MID SUSSEX
DISTRICT COUNCIL

MID SUSSEX DISTRICT COUNCIL
Guidance for administration of Discretionary
Scheme

Background

In response to the Coronavirus, COVID19, the government announced there would be support for small businesses, and business in the retail, hospitality and leisure sectors, delivered through the Small Business Grant Fund (SBGF) and the Retail, Leisure and Hospitality Grant Fund. (RLHGF). This additional fund is aimed at small and micro businesses who were not eligible for either the SBGF or RLHGF.

In accordance with the guidance from the Department for Business, Energy & Industrial Strategy (BEIS) the discretionary scheme this guidance accompanies is a County wide scheme and has been adopted by all local authorities within West Sussex with the exception of Horsham District Council. However, each local authority will administer and interpret this scheme at a local level allowing at all times complete discretion to make an award as it sees fit.

Mid Sussex District Council (MSDC) therefore is aiming to support as many small businesses within the district as possible within the funding limits imposed by Government.

Funding for this Scheme.

MSDC is responsible for delivering this discretionary grant to eligible businesses. Section 1 of the Localism Act 2011 allows the Council to make these payments.

The cost to MSDC of these grant payments will be met in one of two ways:

- An additional grant from Government (using a grant under section 31 of the Local Government Act 2003) of 5% of our initial funding allocation for the Small Business Grants Fund and Retail, Hospitality and Leisure Grants Fund. The allocation to MSDC for these schemes was £29.3m. Therefore, the current projected maximum funding for this scheme will be £1.463m. However, this figure may increase or decrease as the main grant scheme funding alters to take account of new awards and those awards returned by businesses.
- Where there is an underspend by MSDC on the main grants scheme, this underspend will first fund the discretionary scheme (up to the 5% allocation highlighted above) before a grant will be made by Government.

The Department for Business, Energy and Industrial Strategy (BEIS) will continue to monitor our spend performance and they will ensure that we will have sufficient funding and the correct 5% cap for the discretionary scheme.

In accordance with the scheme the discretionary scheme will close for Mid Sussex District Council on the 14th June 2020. Further applications will be accepted if further funding is made available to the Council.

Which businesses can receive a discretionary grant payment

This discretionary scheme is primarily and predominantly designed for businesses that are not eligible for other support schemes. In accordance with discretionary scheme Mid Sussex District Council (MSDC) will prioritise the following types of business for discretionary grant funding:-

- Small business in shared offices or flexible workspaces.
- Regular market traders with fixed stall locations who do not have their own business rate assessment and have their main domestic residence in the Mid Sussex District.
- Bed and Breakfast which pay Council Tax instead of business rates.
- Charities that are in receipt of Charitable Business Rates Relief which would otherwise have been eligible for Small Business Rates Relief.
- Are in the Supply Chain to the Retail, Leisure and Hospitality sectors that did not qualify for the government business grants but pay business rates or have other property costs.
- Did not qualify for business grants but pay onerous business rates or have other relatively high property costs.
- May have qualified for a business grant but are waiting for a business rate valuation decision from the independent Valuation Office Agency;

However, the discretionary scheme allows additional discretion for MSDC to also make payments to other businesses outside of this priority group based on local economic need, for example would a grant make a significant contribution to protecting local jobs.

Mid Sussex DC, when deciding the award of a discretionary grant, may choose to make payments to businesses as a priority based on local economic need. This will include if it can be demonstrated that the grant will make a significant contribution to protecting local jobs, and / or if the business is in a prominent economic location or if the business was growing quickly pre-COVID19 crisis. We would also want evidence that the business would continue to trade in the future, making an increasingly significant contribution to the area's economic output

Which businesses are excluded from receiving a discretionary grant payment.

Businesses which have received cash grants from any central government COVID19 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, leisure & hospitality grant](#)
- [The fisheries response fund](#)
- [Domestic seafood supply scheme \(DSSS\)](#)

- [The zoos support fund](#)
- [The dairy hardship fund](#)
- LEP Grant Scheme.

Businesses which were **not** trading on 11th March 2020 are not eligible for this scheme.

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

Businesses who have applied for the COVID19 job retention scheme **are eligible** to apply for this scheme, as well as those that have received help from the [Self-employment income support scheme](#). The Council though reserves the right to take such awards into account when considering the award of any discretionary grant.

Eligibility

This discretionary scheme is 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.
- Businesses with relatively high ongoing fixed property-related costs.
- Businesses which have an annual turnover of less than £10.2m;
- Businesses with a balance sheet total of less than £5.1m;
- Businesses with fewer than 50 full time equivalent employees
- Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID19 crisis;
- Businesses that were trading on 11th March 2020 and which occupied a property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000;

Definitions

- Bed & Breakfast – MSDC will give priority to those businesses that are registered as a food business with the Council. Airbnb's and holiday let properties that do not serve breakfast and are not registered with the Council as a food business will not be given priority under this scheme.
- Significant fall in income – A business must be able to demonstrate the fall in income is related to COVID19, "significant" for the purpose of this scheme will mean a drop in income when comparing turnover for January to April 2019 against January to April 2020. As a drop in income has a varying impact on different types of businesses, this will be reviewed on a case by case basis.

How will the Grant level be determined

Due to the limits of the funding it is expected that most grant allocations will be made up to £10,000. The Government have confirmed that there are 3 categories of grant payment, £25,000, £10,000 and under £10,000. Mid Sussex District Council has the power to vary the discount under £10,000. However, grants made over this limit are restricted to either £10,000 or £25,000 with no variation in between.

In order for the discretionary grant fund to benefit the maximum number of eligible businesses the scheme designed allows for MSDC to award at two grant levels below a maximum of £10,000. These grant levels have been set at a maximum of £2,500 and £5,000 respectively.

In accordance with the scheme the allocation of grant payments has been agreed as follows;-

Category	Maximum Grant Amount	Criteria
Market Trader with ongoing costs	£2,500	Regular market trader with home address within the Mid Sussex district. Fees/rent, service charges*.
Rateable Value or ongoing property costs up to £15K per annum	£5,000	RV or where no RV rent/ mortgage costs, service charges*.
Rateable Value or ongoing property costs between £15,001 and £51,000 per annum	£10,000	RV or where no RV rent/ mortgage costs, service charges*.
Rateable Value or ongoing property costs of over £51,000 and exceptional circumstances	£25,000	RV or where no RV rent/mortgage costs, service charges* Exceptional circumstances are: <ul style="list-style-type: none">• Business closed completely• 100% income lost from 18th March 2020 – 13th May 2020.

- Service Charges can include Utility and other bills if related to running the business.

Please note that if the business is run from home this may still qualify for a grant if you can show the costs are related/necessary to the business. Please put as much information as you can in your application.

If this scheme fund is oversubscribed with applications the scheme allows for MSDC to reserve the right to amend the grant levels on a pro-rata basis, based on the number of applications received and approved.

Rateable Values

It is expected that the majority of applications for a discretionary grant payment will not have a rateable value. To allow an application to be considered (excluding Market Traders) a rateable value will be estimated by Mid Sussex District Council. This is done by calculating the annual rent/mortgage liability. For example, a mortgage payment of £500 per month will equal a rateable value of £6,000.

Each applicant must provide either their monthly/annual rent liability, or monthly/annual mortgage liability; evidence of this amount will be requested during the application process.

Priority of Payment.

Applications received will be prioritised in accordance with the principles laid out in the scheme. The following businesses will be given first priority;-

- Small business in shared offices or flexible workspaces.
- Regular market traders with fixed stall locations who do not have their own business rate assessment. The Grant will be paid based on their home address and which Local Authority area they are residing in.
- Bed and Breakfast which pay Council Tax instead of Business Rates.
- Charities that are in receipt of Charitable Business Rates Relief which would otherwise have been eligible for Small Business Rates Relief.
- Are in the Supply Chain to the Retail, Leisure and Hospitality sectors that did not qualify for the government business grants but pay business rates or have other property costs.
- Did not qualify for business grants but pay onerous business rates or have other relatively high property costs.
- May have qualified for a business grant but are waiting for a business rate valuation decision from the independent Valuation Office Agency;

Applications received from businesses which do not fall into the first priority category will be considered once these priority applications have been processed. The appropriate grant will then be made where applicable and where funds allow. As stated above should the scheme fund be oversubscribed with applications the

scheme allows for the grant levels to be amended on a pro-rata basis to assist the most businesses. However, once all funds have been spent the scheme will close and all outstanding applications will be refused. Should Government provide MSDC with additional funds these closed applications will be reactivated and reconsidered in line with any new official guidance. New discretionary grant claims will also be considered in a limited opening window.

Application Process

Applications for this scheme will only be accepted via the official web form accessed through the Council's approved third party system at www.grantapproval.co.uk.

Applications for grant funding will open on 1st June 2020 with a closing date of 14th June 2020. Applications received after the closing date will only be considered in exceptional circumstances. These dates are consistent across West Sussex.

All applications will be considered together as quickly as possible after the closing date.

Evidence to support the application must be provided. The evidence may include, but not be exclusive to;-

- Evidence of fixed building related costs, which may be in the form of a signed lease agreement, signed licence agreement, signed rental agreement or signed mortgage agreement;
- Evidence of loss of income, which should be in the form of three months of bank statements (January to April), and the relevant previous year's bank statements, or your latest set of company accounts. Any bank statement must clearly show the name, address, bank account number and sort code. The name must match that shown on the business rates account, or lease/mortgage agreement;
- Evidence of number of employees, this can be in the form of payroll or personnel records;
- Registration with the Charity Commission;
- Evidence of your business which can be in the form of registration confirmation with Companies House, documentation from HMRC or your public liability insurance certificate;
- Sales information;
- Details of current and previous years bookings;
- Evidence of trading on or before 11th March 2020. This can be in the form of stock orders, lease agreements etc.

Grant award decision making

This scheme has been approved by members.

The power to award these grants has been delegated to Senior Officers namely the Head of Corporate Resources and the Business Unit Leader for Revenues and Benefits. Individual grant decisions will be made by these designated Officers of Mid Sussex District Council based on these approved guidelines, although they may consult with Senior Economic Development Officers.

The decision of these Officers will be final. A business can only challenge a grant decision on a point of law through the courts.

All decisions should be communicated by email to businesses.

Any business not awarded a discretionary grant can apply in any future round of payments.

Where during the application process it is clear that the business should be entitled to a grant under the Small Business Grant Fund or Retail, Hospitality and Leisure Fund, the appropriate grant from one of these funds will be made instead.

Statistics of all grants will be retained for monitoring purposes. Weekly reports including trends will be given to the Council Leader.

How will businesses receive their Grant

Payments will only be made by BACS as quickly as possible after the closing date of qualifying businesses, and the relevant bank account details must be provided in the electronic application form. A remittance notice will be emailed to accompany any grant payment.

Appeals process

There is no right to appeal and the decision of the Council is final. The Council's interpretation of this scheme is at its own discretion.

Managing the risk of fraud

If the business is a Limited Company, Charity or Limited Liability Partnership, a Government "Spotlight" check should be carried out to verify with Companies House that they have properly filed their Accounts, that their Confirmation Statement is up to date and that there are no outstanding Winding Up Orders. An application can only proceed if the Company passes the "Spotlight" check.

The Government has advised Council's that they 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.

Also in accordance with the scheme Mid Sussex District Council will investigate if any business applying for a grant shall be liable for business rates and conditionality of receiving grant will be dependent on the business paying business rates if so liable.

Conditionality of funding will be dependent on the business agreeing to these conditions by confirmation when they complete their electronic application form.

State Aid

State aid rules apply to this scheme, and during the application process a declaration must be made by businesses that they have not received more than €800,000 in state aid over a rolling three year period. If a business advises that they have received more than €800,000 over the last three years then you are not entitled to a grant.