

Guidance for applications to North Tyneside Council for Local Authority Discretionary Grants Fund

1) Introduction

This guidance sets out the criteria under which businesses will qualify to make an application to the North Tyneside Discretionary Grants Fund, and the evidence required to support an application, and is aligned with the Government guidance <https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding>

This is an additional fund which is aimed at businesses who do not qualify for the Small Business Grant or the Retail, Hospitality and Leisure Grant, are operating out of commercial premises 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.

2) Scope and Eligibility

The Government guidance gives the Council discretion over the grant scheme, and its decisions regarding the scheme will be final.

The following eligibility criteria will apply to the scheme:

- a) The scheme is aimed at small or micro businesses
 - 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
- b) Businesses which occupy commercial premises with fixed property-related costs of at least £3,000 per annum and a rateable value or annual rent /commercial mortgage payments below £51,000.
- c) Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis
- d) Business that were trading on 11 March 2020
- e) Business that have trading income of £20,000 per annum or higher
- f) Businesses must be based in North Tyneside and employing at least one full time member of staff (this can include owners, partners and directors)
- g) Only one grant will be paid per business

Business are ineligible for support if:

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

- They are eligible for support from other grant schemes including: Small Business Grant Fund, Retail, Hospitality and Leisure Grant, Fisheries Response Fund, Domestic Seafood Supply Scheme, Zoos Support Fund, Dairy Hardship Fund
- They do qualify under state aid rules
- They are operating their business from home

Businesses in receipt of Coronavirus Job Retention Scheme and Self-Employed Income Support Scheme are eligible to apply for this scheme.

3) Scheme Details

Applications will open at 5pm on Tuesday 14 July 2020, closing at midnight on Monday 3rd August 2020.

This phase will include any businesses falling within the following categories:

- a. Small businesses in premises with a rateable value of between £15,000 and £51,000
- b. Retail, hospitality and leisure businesses with a rateable value of between £51,000 and £75,000
- c. Small businesses in shared offices or other workspaces which do not have their own business rates assessment. Businesses must have their own allocated space which is not accessible by other businesses. Businesses occupying hot desks or other collaborative space are not eligible;
- d. Regular market traders attending markets on at least 4 days per week with fixed building costs, who do not have their own business rates assessment;
- e. Bed & Breakfasts which pay Council Tax instead of business rates. Applicants need to have been registered with North Tyneside Council's Environmental Health Team on 11 March 2020;
- f. Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief; and
- g. Manufacturing businesses working on products for the NHS Supply Chain directly linked to Covid-19 which are unable to access NHS Supplier Relief funds.

In order for the Discretionary Grant to benefit the maximum number of eligible small businesses, there will be 2 levels of grant:

- £5,000 - Micro businesses
- £10,000 - Small Businesses

See Section 2a for a definition of the Micro and Small Businesses.

If the Council receives more applications than it is able to support in this phase, businesses in category 3a will be given priority, then category 3b, then category 3c-g. Grant allocations within each category will be made on a first come, first served basis using the date a complete application **and** evidence is received. The Council reserves the right to withdraw the scheme or vary the terms of the scheme at any time, and without notice, should it be necessary to do so.

4) Evidence Requirements

In order for the application to be considered, we require businesses to demonstrate that they meet the eligibility criteria above.

To do this, you will need to declare the following in the application form:

- Company registration number (if applicable)
- Business rates account number (if applicable)
- State aid compliance including the value of the business support received over the last 3 years
- Confirmation of eligibility to the grant schemes mentioned in Section 2.
- Confirmation of Small or micro business compliance
- A statement outlining how the businesses has suffered a substantial loss in income

Copies of the following additional evidence will need to be emailed following completion of the online application:

- Evidence of business premises and property costs. This should take the form of a lease or property licence and details of other payments
- The latest filed accounts of the business
- The last 3 months bank statements with a confirmation of income
- Where bank statements are not sufficient to demonstrate a substantial loss in income as a result of Covid-19, further evidence may be required.

Audit checks will take place where you may be asked to support the evidence you have supplied in your application. Should you be unable to provide satisfactory evidence, your application may be refused. If you have already received a grant, you will be required to return this to North Tyneside Council.

5) Grant Process

Applications for the grant can be made online and additional evidence must be emailed to business.grants@northynteside.gov.uk within 48 hours of the initial application. Applicants will receive a confirmation email once the evidence has been received.

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

We will aim to provide you with an outcome within four weeks of the submission of a complete application with satisfactory evidence. Missing information or evidence will delay the response.

There is no appeal process.

6) Miscellaneous

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.

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.

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.

We are required by law to protect the public funds that we administer. We may use any of the information you provide to us for the prevention and detection of fraud. We may also share this information with other bodies that are responsible for auditing or administering public funds including the Cabinet Office, the Department for Work and Pensions, and other local authorities, HM Revenue and Customs, and the Police. Further information can be found [here](#).

The funding for grants to manufacturing businesses working on the NHS supply chain will be funded from the North of Tyne Capacity Fund. All other grants under this scheme will be funded from the allocation North Tyneside Council is forecasted to receive from the Department for Business, Energy, Innovation and Skills.

Enquiries about the scheme can be emailed to: Business@northtyneside.gov.uk

7) State Aid

There is a requirement for all grants made under this scheme to be state aid compliant, please see guidance below:

State Aid Requirements – North Tyneside Council Discretionary Grant Scheme. Any business seeking to receive a grant under this Scheme will, by submitting their application to North Tyneside, be required to confirm that they have read and understood the following paragraphs relating to State Aid. Businesses are also required to make a statement that acceptance of any grant funding by them conforms with State Aid requirements.

Confirmation of State Aid received under the COVID-19 Temporary Framework for UK Authorities scheme: Following the outbreak of the Coronavirus, the European Commission has approved schemes to aid businesses affected by the Coronavirus outbreak on the basis of their Temporary Framework, including the COVID-19 Temporary Framework scheme for the UK. The maximum level of aid that a company may receive is €800 000 (€120 000 per undertaking active in the fishery and aquaculture sector or €100 000 per undertaking active in the primary production of agricultural products). This is across all UK schemes under the terms of the European Commission's Temporary Framework.

The Euro equivalent of the Sterling aid amount is calculated using the Commission exchange rate applicable on the date the aid is offered, and may be accessed here: https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en

Any aid provided under this scheme will be relevant if you wish to apply, or have applied, for any other aid granted on the basis of the European Commission's Temporary Framework. You will need to declare this amount to any other aid awarding body who requests information from you 6 on how much aid you have received. You must retain this letter for four years after the conclusion of the UK's transition from the EU and produce it on any request from the UK public authorities or the European Commission.

Aid may be granted to undertakings that were not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation) on 31 December 2019, but that faced difficulties or entered in difficulty thereafter as a result of the COVID-19 outbreak. The General Block Exemption Regulation can be accessed here: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710>

If you are an undertaking in difficulty within the meaning of Article 2(18) of the General Block Exemption Regulation you may still be entitled to de minimis aid if you have received less than €200,000 in de minimis aid in the last three years. You should contact us if you consider that you may qualify for de minimis aid on this basis. This aid is in addition any aid that you may have received under the De Minimis regulation allowing aid of up to €200,000 to any one organisation over a three fiscal year period (i.e. your current fiscal year and previous two fiscal years), and any other approved aid you have received under other State aid rules, such as aid granted under the General Block Exemption Regulation.