

# COVID-19 Business Support Grants: Local Authority Discretionary Grant Fund

## Introduction and Eligibility

Rugby Borough Council aims to support as many businesses as possible which have not already been supported by COVID grants \*\*, through the Discretionary Grant Scheme. The grant will enable small and micro businesses that have been negatively impacted by the outbreak of COVID-19 to retain employment and provide support to get through this challenging period.

The Discretionary Grant scheme is likely to be oversubscribed, therefore it is important to note that if a business meets the eligibility criteria this does not necessarily a guarantee of grant support. An assessment of the application will take place which will be based on, but not restricted to, factors such as level of fixed costs, loss of income and a plan for recovery – therefore if supporting information can be provided this will assist with the assessment for grant support.

Following Government guidance released on 13<sup>th</sup> May 2020 Local Authorities are being asked to make funding available to businesses in the following categories: **(Category A)**

1. Small and micro 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).
2. Regular market traders who do not have their own business rates assessment. [Note: (a). Rugby Borough Council will only pay grants to those that live within the Borough and (b). “Regular” means those traders that are present on most market days]
3. Bed and breakfasts which pay Council Tax instead of business rates.
4. Charity properties in receipt of charitable business rates relief, which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

We will be inviting applications from the above types of businesses.

## **Rugby Borough Council is also keen to provide support for businesses in the following target sectors: (Category B)**

1. Business in the hospitality, leisure, retail, cultural and creative sectors which were ineligible for the grant funding previously available
2. Independently owned manufacturing businesses (employing less than 50 employees) which have suffered a significant drop in income due to COVID-19 pandemic and have a plan to reopen as part of a new resilient supply chain for industry when the economy opens up

## **All businesses which apply should meet the following criteria:**

1. Businesses must occupy property, or part of a property, with a rateable value below £51,000 or have an equivalent, annual rent or annual mortgage payments below £51,000. The property must be in the Rugby Borough.
2. Have relatively high ongoing fixed property costs
3. Businesses which can demonstrate that they have suffered a **significant** fall in income due to the COVID-19 crisis
4. Business with fewer than 50 employees
5. Businesses that were trading on or before 11th March 2020.
6. Not be in receipt of other central government COVID-related grants (more detail below)
7. Small or micro (turnover less than £10.2 million, £632,000 respectively)

**Level of grant funding available**

Each application is capped at £10,000 or below. Following eligibility checks and an assessment for grant support, if successful, you may receive a grant from either Category A or B as listed in the table below depending on the number of employees and if you fall into one of the local target sectors.

Grant Award	Number of employees	Level of grant (Category A)	Level of grant in local target sectors (Category B)
Level 1	1-2	£3,000	£4,000
Level 2	3-9	£5,000	£7,000
Level 3	10-29	£7,000	£10,000
Level 4	30-50	£10,000	£10,000

**Please note:**

- Grants will only be paid to market trader businesses with fixed costs for a property in Rugby and have their home address in Rugby
- One grant will be paid per business, not per property
- 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
- Payments are subject to the normal state aid restrictions. [Further information regarding State Aid law.](#)

**\*\* Ineligible businesses**

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

However, businesses who have applied for the Coronavirus Job Retention Scheme **are** eligible to apply for this scheme. Please note that if your business has furloughed staff, then it will still be eligible for the Discretionary Grant.

Companies that are in Administration, are Insolvent or where a Striking-Off Notice has been made, are not eligible for funding under this scheme.

I confirm that this Business has not received a Grant awarded in dealing with COVID-19 (not including the Coronavirus Job Retention Scheme) nor is in Administration, is Insolvent or has a Striking-Off Notice made against it, which would make this application ineligible\* *(make this mandatory so that they must read section 1)*

Yes                      No

If no please explain why .....

**If you meet the criteria outlined above, then please complete the online short form so we can assess if a grant can be paid to your business. Applications will be accepted between 8 June 2020 and 22 June 2020**

**Prior to completing the application, the following information will assist with your submission. Please note bank statements for the last three months are mandatory:**

**Additional information requested below is optional, however if provided will help us with our assessment of your grant application.**

Section 2a – Business information: Company number, VAT number \*

Section 2b – Category of Business: 10-digit Business Rates Reference number\*

Section 2c – Number of employees: payroll or personal records

Section 2d – Fixed Building related costs: Signed Lease Agreement, Signed Licence Agreement, Signed Rental Agreement or Signed Mortgage Agreement

Section 2e – Loss of Income: three months of bank statements or your latest set of accounts

Section 2f: Trading dates: Registration with Companies House, Registration with the Charity Commission, bank statements for the last three months, evidence from HMRC or your public liability insurance certificate

**\*If applicable**

**Additional details**

*Rugby Borough Council will not tolerate deliberate manipulation and fraud. This includes, but is not limited to, making false applications for a grant to which you are not entitled and making duplicate applications. If false or misleading information is provided we reserve the right to take further action against you including but not limited to the recovery of monies paid to you and/or legal proceedings. We will use the information provided in this form to prevent and detect fraud, including carrying out verification checks and will share information with other government and third party agencies for this purpose.*

**Privacy notice**

We will use your information to assess your application for financial support. If you provide false or inaccurate information, we will record this. If you would like full details on how we use your information, please refer to Rugby Borough Councils privacy notice. [\(insert website information\)](#)