

Exeter City Council's Discretionary Business Grant Support Scheme FAQs

Who is funding aimed at?

The government has advised that Discretionary Grant Funding should be 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 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

The funding is primarily aimed at businesses with high ongoing fixed property-related costs and it is expected that the majority of grants will go to businesses with premises costs.

What is the definition of a small business?

Under the Companies Act 2006, a small business must satisfy two or more of the following requirements in a year:

- Turnover of not more than £10.2 million
- A balance sheet total of not more than 5.1 million
- Less than 50 employees

What is the definition of a micro business?

Under the Companies Act 2006, a micro business must satisfy two or more of the following requirements in a year:

- Turnover of not more than £632,000
- A balance sheet of not more than £316,000
- Not more than 10 employees

What are the mandatory criteria for this scheme?

1. Only businesses which were trading on 11 March 2020 are eligible for this scheme
2. Companies that are in administration, are insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme
3. Businesses which are eligible for cash grants from any central government Covid-19 related scheme (excluding SEISS or CJRS) cannot receive a grant from this scheme

What does SEISS stand for?

Self-Employment Income Support Scheme

What does CJRS stand for?

Coronavirus Job Retention Scheme

If I have received or am eligible for a Small Business Grant or a Retail, Hospitality and Leisure Grant, can I get a grant from this scheme?

No

Who is eligible to apply for a grant from Exeter City Council's Discretionary Business Support Scheme?

Initially only:

- small businesses in shared offices or other flexible workspaces, such as units in industrial parks or incubators
- regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment
- bed and breakfasts paying council tax instead of business rates
- charity properties getting charitable business rates relief, which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief

Why is this scheme initially restricted to businesses within those categories?

Government has asked Local Authorities to prioritise those categories of businesses. Our funding pot is small therefore we are inviting applications from businesses within those categories first.

Will you be opening the scheme up to other categories?

Businesses within the 4 priority categories will be given until midnight on Sunday 14 June in which to apply. Those applications will be assessed and awarded once that window has closed. If there is any funding left, all other types of businesses will be invited to apply as long as they fall within the mandatory categories that the grant funding is aimed at.

What are the conditions attached to this grant funding?

Any business who accepts a grant must confirm they comply with all the applicable State aid requirements, and must provide information requested by the Local Authority to support monitoring and assurance.

Will my grant be taxed?

Yes, grant income paid under the Discretionary Grants Fund scheme will be subject to tax. However, businesses that make a loss this financial year will pay no tax on grants. Only profitable businesses will be taxed.

How will I know if I'm eligible?

We have tried to identify as many businesses as possible that may fit the 4 priority criteria types and have contacted them by email. You do not have to have been contacted in order to apply, you just need to meet the eligibility criteria.

How do I claim?

You need to complete the online claim form available at www.exeter.gov.uk/topupgrant

How long will it take to process my claim?

All applications received in the first round will be assessed in the week after the application window has closed.

When will I receive the money?

Once a claim has been approved, it takes up to 3 working days for the BACS payment to reach a bank account.

If a business does not resume trading after the shutdown, is it still eligible for a cash grant from the Discretionary Business Grant Scheme?

Yes, as long as the business is not in liquidation or dissolved when the grant is awarded, and otherwise meets all applicable conditions.

I know another business who I think is eligible but they may not be aware, what can I do to help?

Please share this information with any of your fellow businesses who you feel may be eligible for this grant support and encourage them to look online at www.exeter.gov.uk/topupgrant

Is there a cut-off date for applying for this Grant?

The cut-off date for the first round is midnight on Sunday 14 June 2020

Does State aid apply to these grant funds?

Yes. All recipients of the grants are required to comply with 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 for UK Authorities (lower thresholds apply to agriculture, fisheries and aquaculture business). A business receiving grant paid under the Temporary Framework must also confirm that they were not an undertaking in difficulty on 31 December 2019.

Payments of up to and including £10,000 can be provided under the De Minimis rules, meaning applicants can receive up to EUR 200,000 of aid within a three year period.

Payments of up to and including £25,000 (or £10,000 where the De Minimis threshold has been reached) will be paid under the Covid-19 Temporary Framework for UK Authorities.

All eligible businesses must comply with the grant conditions not to exceed the maximum permitted funding limits.

If a new business was fitting out a property prior to 11 March but never got round to opening/trading, would it be eligible for this fund?

The mandatory criteria requires that a business was trading as of 11 March. Grant payments can only be paid to firms that meet the mandatory requirements.

Can mooring or marina fees be counted as a fixed property cost for businesses that involve boat tours, floating restaurants etc.?

Yes, this could count as a fixed property cost.

What does balance sheet total refer to?

Balance sheet total is defined in the Finance Act 2016 as the aggregate of the amounts shown as assets in a company's balance sheet at the end of the financial year.

Are applicants that are eligible for the Self-Employment Income Support Scheme (SEISS) also eligible for this discretionary business grant?

Yes, businesses who are eligible or in receipt of the Self-Employment Income Support Scheme are eligible to apply for this scheme as well.

Are businesses that have accessed loan or deferral schemes (e.g. Deferral of VAT, the Coronavirus Business Interruption Loan Scheme) eligible for grants under this scheme?

Yes – it is only where businesses have received grant funding from Government that they are ineligible for support under this scheme.

Are pitch fees and storage costs considered to be fixed property costs for market traders?

Yes

How will the Council prioritise grant awards where applications are oversubscribed?

The Council is providing its funding in rounds rather than on a first-come, first-served basis. This provides a better chance to compare applications, assess need and allocate more fairly. Because the funding pot is small, the first round is limited to the types of businesses fitting the government's 4 priority criteria. If that first round is oversubscribed, those businesses suffering the greatest impact will be paid first.

Why are Local Authorities not able to pay grants of between £10k and £25K?

The government has designed the scheme to reflect the previous two schemes in grant size, however to provide more flexibility, Local Authorities are also allowed to design their own local schemes in order to pay grants of under £10k.