

Local Authority Discretionary Grant Fund for business

Camden's scheme – Guidance Note and FAQs

How we are proposing to allocate the funding?

Camden has an allocation of £3.64m to make grant payments to businesses affected by Covid-19 who have not been able to access previous grant schemes. Based on our understanding of need and the steer provided by government, the following principles apply in our scheme:

Shared Workspaces

The majority of the funding will be prioritised towards applicants from shared workspaces (offices, artists' studios and similar and specific retail environments such as Camden Market) where business rates or the costs of business rates are paid as part of rent to the landlord and not directly to the council.

We will pay fixed sums of £10,000 to successful applicants applying in this category. We will prioritise applications where the loss of income since 11th March 2020 is at least 50%.

Severe Hardship

A proportion of the funding will be provided to businesses who are suffering from extreme hardship and did not receive previous grants (such as the Small Business Grant) or because they did not meet the definition of Retail, Hospitality and Leisure Business or whose Rateable Value was above the £51,000 threshold.

We will pay up to the maximum value of £25,000 dependent on need and will prioritise applications where the loss of income since 11th March 2020 is at least 70%. Please note we are only able to pay fixed sums of £10,000 or £25,000 or any amount under £10,000.

Market Traders

A sum of £1,000 is considered an appropriate level to mitigate against lost income and will be made available to permanent pitch licensees who are active and regularly trading or have been unable to trade due to either Government guidelines or personal risk factors due to Covid-19.

Who is eligible?

All applications will have to address the following criteria and are subject to submission of supporting evidence.

- a) 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.
- b) Businesses with relatively high ongoing fixed property-related costs and/or;
- c) Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis

Other criteria for completing applications and receiving funding include:

Mandatory criteria:

- Must have been trading on 11th March 2020
- Must not be in administration, are insolvent or where a striking-off notice has been made
- Must not have received payments under the following schemes: Small Business Grant Fund and Retail, Hospitality and Leisure Grant

Other criteria and requirements for those in receipt of grants will include:

- Agreement to engage with council employment initiatives supporting people back to work, including for example commitments to interview local candidates for job roles during the economic recovery phase
- Agreement to engage with monitoring and evaluation activity to measure the impact of the fund
- Submission of a signed State Aid declaration in accordance with state aid rules
- A self-declaration of compliance with the above criteria and in particular the mandatory criteria in order to prevent fraud

The application process

The fund opens for applications on 9th June 2020 and will close at midday on 19th June 2020. We will complete our list of recommended recipients in the week up to the 26th June 2020 before authorising payments. You will receive an automated response when you submit your application and may be contacted by assessors for any follow up information. You will receive a response on or shortly after the 26th June whether your application has been successful or not.

Guidance on completing the online application form

Questions 1 and 2

Please complete as accurately as possible as these details are key to being able to contact you, identify your business and if successful make a payment to you. We have asked an optional question to determine if you define yourself as a BAME or LGBTQ+ led business, this information will not be attributed to your business in evaluation or impact on our assessment. It is for monitoring and evaluation purposes only.

Question 3

This section requires you to acknowledge the criteria you meet in making the application. You cannot proceed with the application unless you can and do tick all three of the mandatory criteria. You are then asked to decide which type of application this will be; shared workspace, severe hardship or market trader. Please read the guidance carefully to determine which is the most appropriate route for your business. You will be automatically taken to the appropriate question to complete the rest of the form (4, 5 or 6).

Questions 4, 5 or 6

Depending on the application route you have chosen, you will be required to describe your circumstances, the fixed-property costs you have and the loss of income you have suffered. We may require some form of documentation to substantiate your claims and will follow up with you directly if needed. We also ask how the grant will help your business to survive and flourish beyond the Covid-19 lockdown measures and in particular about the positive contribution your business makes to the local economy. We want to make sure the grant funding helps to make the greatest and most sustainable impact possible in the current circumstances. Finally you agree to complete your application and can move to question 7.

Question 7

This is where you make a declaration that all the details and statements you have made are true and correct. Please read the terms carefully. You must also read the State Aid statement and check the box if true. You cannot submit your application until all sections are completed. Please note where it is alleged or considered that an application may have been made fraudulently, the matter will be investigated and if fraud is found to have occurred, action may be taken to recover the monies. This may include criminal proceedings.

Submission

You will receive an automated response when you submit your application and may be contacted by assessors for any follow up information. You will receive a response on or shortly after the 26th June whether your application has been successful or not.

Key definitions

Shared Workspace - The term 'shared workspace' refers to any spaces whereby an all-inclusive rent is paid, and businesses do not have direct business rates liabilities. Spaces include: co-working offices; maker spaces; business incubators; artist studios and other flexible workspaces.

Market Traders - permanent pitch licensees who are active and regularly trading or have been unable to trade due to either Government guidelines or personal risk factors due to Covid-19.

Ongoing fixed building-related costs - within shared workspaces in Camden who are in permanent, exclusive or non-transient tenure with existing liabilities of at least 4 weeks. Other fixed premises costs we will consider include; rent or mortgage payments, rates, machinery or equipment rental costs, utility bills, buildings or contents insurances as long as existing liabilities are at least 4 weeks.

Significant fall in income - Businesses will be expected to demonstrate they have suffered a fall in income due to the Covid-19 pandemic of at least 50%. This is based on data in the ONS business impact survey (All Industries – 24.5% with loss of income of at least 50%) and is set at this level to enable prioritisation. Ideally we would be able to make year on year comparisons of income to make a judgement. For those applying on grounds of extreme hardship we will expect fall in income to be at least 70% in prioritizing applications.

Small and Micro Businesses definition – as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006.

To be a small business, 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, 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

FAQs

Does this scheme allow one grant per property as with the previous grant schemes?

Yes, where properties with multiple businesses are operating as a shared workspace. Because of the very limited amount of funding and high levels of demand we will only offer one grant per business.

Can a business receive more than one grant under this scheme (i.e. if based across multiple properties)?

No, because of the very limited amount of funding and high levels of demand we will only offer one grant per business.

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

No. 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.

What are evidence requirements for ‘significant fall in income’? Can this be via disclaimer? Are Local Authorities expected to assess profit and loss accounts alongside bank statements?

We would expect this to be backed up with at minimum a statement from the business, which could be evidenced by supporting financial documents.

Is there still an absolute rateable value limit of £51,000 for businesses receiving this fund?

This fund is primarily and predominantly directed to small and micro businesses. However, in cases of severe hardship we will exercise some discretion to determine who else is eligible to receive funding through their schemes.

Are applicants that are eligible for the Self-Employment Income Support Scheme also eligible for the Local Authority Discretionary Grant Fund?

The government updated the guidance so that businesses who are eligible for or in receipt of the Self-Employment Income Support Scheme (SEISS) are eligible to apply for this scheme as well. However, they must apply under the criteria set out for Camden’s scheme and our proposed approach to allocating funding.

How can Local Authorities verify whether businesses are eligible for other schemes not managed by Local Authorities?

We will be able to check our own records on the Small Business Grant Fund and Retail, Hospitality & Leisure Fund. For other grant funding schemes we anticipate businesses using a self-declaration process. Where checks discover that payments have been made in error or have been claimed as a result of fraud recovery action will be taken.

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.

Businesses who have applied to the Coronavirus Job Retention Scheme are eligible for grants. Are businesses that have claimed Statutory Sick Pay for staff sick with Covid-19 still eligible for this grant?

Yes, claiming Statutory Sick Pay for staff would not make a company ineligible for a grant under the discretionary scheme.

Where an owner has two limited businesses and one has a rate liability and has had a grant but the other has no liability can a discretionary grant be considered?

There is no reason that the second business cannot be considered. We will consider any application against our local priorities and the grant criteria.

Businesses in shared offices may have shared directors, i.e. two companies trading from same premises. Would there be an intention to restrict grants in these cases?

No. Both businesses can be assessed. The different costs incurred by the companies would have to be identifiable (i.e. the property/utility costs paid by each business for the space).

Does the Government consider annual pitch fees and storage costs to be 'fixed property costs' for market traders?

Yes, pitch fees and storage costs would count as fixed property costs.