

## Cornwall Council policy for the Local Authority discretionary fund for small business grant payments

Cornwall Council welcomes the announcement of a discretionary fund for small business grant payments that allocates £13,454,500 million to be spent within Cornwall. We have been calling on government to address the gaps in previous support schemes for many weeks and are pleased to be given the ability to address these gaps. This policy is based on [government guidance](#) issued on the 13 May 2020.

The aim of the discretionary fund is to support small and micro businesses within Cornwall that have been impacted negatively by COVID-19, haven't already received financial assistance through other government schemes and that continue to have high fixed term costs related to property (such as rent or mortgage payments) but below the set threshold of £51,000.

Please note that you will **not be eligible** for the discretionary grant scheme if your business:

- Is eligible for cash grants from any central government COVID related scheme, including if you are eligible for grants from:
  - Small Business Grant Fund
  - Retail, Hospitality and Leisure Grant
  - The Fisheries Response Fund
  - Domestic Seafood Supply Scheme (DSSS).
  - The Zoos Support Fund
  - The Dairy Hardship Fund.
- Started trading after the 11 March 2020
- Is in administration, insolvent or where a striking-off notice has been made

Businesses who have applied for the Coronavirus Job Retention Scheme are eligible to apply for this scheme. Businesses eligible for the Self-Employment Income Support Scheme are also eligible to apply for this scheme.

Please note that you will only be eligible if you meet the government's definition of small and micro businesses – see [SECTION 21](#) and [SECTION 22](#) of the guidance.

Please note that grants are taxable and that state aid rules apply. Aid may be granted to undertakings that were not in difficulty (within the meaning of Article 2(18) of the

General Block Exemption Regulation<sup>3</sup>) on 31 December 2019, but that faced difficulties or entered in difficulty thereafter as a result of the COVID-19 outbreak.

For complete details on the eligibility criteria set by the Government reference should be made to the [government guidance](#).

The scheme will be delivered in two phases – see Annex 1 for a schematic overview;

### **Phase 1:**

As we have been given a limited amount of funds, we will prioritise the following types of businesses that have been specified in the guidance. Each of these businesses will be eligible to apply for a £10,000 grant:

- Small 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;
- Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;
- Bed & Breakfasts which pay Council Tax instead of business rates, where the Bed and Breakfast business is the main income/occupation of the business owner<sup>1</sup>. Grants will not be made available to individuals who occasionally rent out a room/ their property via platforms such AirBnB.;
- Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief i.e. have a rateable value less than £15,000.

We are making an explicit policy choice to keep the scheme as simple as possible in order to be able to address the need for this support to be given to businesses as quickly as possible, and we are therefore anticipating that the vast majority of the above businesses will be given a £10,000 grant.

All supported businesses will receive an equal £10K grant amount, unless businesses can demonstrate that;

- a) Their property related fixed costs for rent or mortgage payments is above £20,000, or;

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<sup>1</sup> Eligible bed and breakfast businesses must hold a current food safety licence with Cornwall Council, to demonstrate their role as a premise where breakfast is regularly supplied to guests.

- b) Play a crucial role for the regional or national economy i.e. essential to the supply chain of critical sectors such Chemicals, Communications, Defence, Emergency Services, Health, Energy, Health, Transport, Water, Food. A maximum pot of £400,000 is ring-fenced for this purpose. However, it should be noted awards will only be made in exceptional circumstances and this funding is not available to business simply because they are in the above sectors. Applicants will need to demonstrate significant economic and/or community impacts above and beyond the direct impact of their operations.

Applications for a £25,000 grant rather than a standard £10,000 grant will be subject to scrutiny at a grant panel consisting of the Chair of the Council's COVID-19 Business Cell; Head of Assessment, Billing and Collection; Head of Economy, Skills and Culture; and Head of Investment and Growth, or such other persons as necessary.

Understandably therefore, the grant may take a little longer to process. There is no guarantee that their application will be successful as the council has limited funds available.

All businesses who believe they are eligible under phase 1 will need to fill out the following [application form](#) to be considered for the grant scheme.

We will continue to support eligible businesses as long as the budget for the support scheme allows us to.

### **Phase 2:**

Following an initial one-week window where the above type of businesses will be prioritised, we will, if there remain any funds left, open up support for other types of small and micro businesses that similarly have not yet been able to access support, have been impacted negatively by COVID19 and continue to have high fixed costs. Here the grant amount will depend on the level of fixed costs incurred and the budget available to the council. Up to £10,000 will be available per business.

We are encouraging everyone who believes they would be eligible in phase 2 to fill in an [expression of interests](#) to allow the Council to better understand the full extent of the demand.

### **For both phase 1 and 2:**

We are opting to keep the application form and expression of interest process simple and to reduce the need for assessment to the absolute necessary in order to avoid

slowing down the speed of support getting to our local businesses. We will in part be relying on self-assessment and the information that you provide us with. We do however intend to audit the scheme at a later date and you will be liable to ensure that any information you provide us with is correct and accurate.

Please also refer to our Frequently Asked Questions.

The Council's decision on whether to offer a grant is final and there is no opportunity to appeal. However, where there are certain types of businesses that are not eligible, but where there is a clearly defined need demonstrated through expressions of interests, the Council will suggest to Government that we should be allowed to use part of the unclaimed budget from the initial grant scheme to support more businesses in need.

## Annex 1 – Groups of businesses supported by the discretionary scheme

As we have been given limited amounts of funding we will prioritise three groups of businesses;

Phase 1:

- Group A (Businesses specified in the HMG guidance).
- Group B (Businesses specified in the HMG guidance **and** businesses that are crucial for their local economies)

Phase 2:

- Group C (Additional small and micro-businesses with fixed costs)

Category	Eligible Business	Available Grant	Timescale	Target application timescale
Group A Businesses specified in the HMG guidance	Small businesses in shared offices or other flexible workspaces  Market traders with fixed building costs but no business rate assessment  Bed & Breakfasts which pay Council Tax  Charity properties in receipt of charitable business rates relief	£10k  £25k for businesses with fixed property costs over £20,000 on a yearly basis	Applications invited from 22 May and these applications will be assessed immediately	Applications for grant of £10k will be determined within 5 working days  Applications for grant up to £25k will be determined within 10 working days
Group B Businesses specified in the HMG	Businesses that are <b>crucial</b> for the regional or national economy i.e. essential to the supply chain of	£25k  A maximum pot of £400,000 is ringfenced	Applications invited from 22 May	Applications determined within 15 working days by Grant Panel

guidance <b>and</b> that are 'crucial' Businesses	critical sectors such as food production; community safety; economic resilience.	for this purpose.		
Group C  Additional small and micro-businesses with fixed costs	Businesses that can demonstrate high fixed costs. For example; <ul style="list-style-type: none"> <li>• Mooring Fees for boat operators</li> <li>• Lease or licence arrangements for e.g. street vendors.</li> <li>• Businesses with warehouse rent costs</li> <li>• Fixed costs for 'Nil rated' farm shops</li> </ul>	Up to £10k towards fixed costs	Expression of interests invited from 22 May, but whether businesses are invited to submit an application will depend on budget available following phase 1 where group A will be prioritised	Expression of interests invited from 22 May