BUSINESS SUPPORT SCHEME GUIDANCE

Business Support Scheme: Guidance for Applicants 31st May 2016
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What is the Business Support Scheme?

This guidance note accompanies the application form for the Flood Relief ‘Business Support Scheme’. The Government provided funding to Southend-on-Sea Borough Council to offer one-off grants to small and medium sized businesses that were affected by flooding during 1 December 2013 to 31 March 2014. This scheme has been extended by Southend-on-Sea Borough Council for businesses that have been affected by flooding on 31st May 2016.

The funding is for the impacts of flooding from the recent adverse weather conditions and not, for instance, from the failure of a water main, internal water systems or the failure of a sewerage system (unless the failure was itself caused by the adverse weather conditions).

Who’s funding this support?

It’s provided by the UK Government and Southend-on-Sea Borough Council will administer this business support funding and the maximum grant claim limit is £3,000.00 per business.

Who can claim grant funding?

Any small or medium sized business within a directly affected location within the Southend-on-Sea Borough Council boundaries that has sustained hardship and ‘significant’ loss of trade as a result of the floods, can claim grant funding. All businesses who have been flooded or whose business has been adversely affected by the flooding are eligible to apply.

This grant covers directly and indirectly impacted businesses within flood affected areas. It does not cover loss of trade suffered by businesses outside of directly affected areas.

The grant is only available to small and medium sized businesses.

Definition of Flood

The definition of a flood is taken from the Section 1 of the Flood & Water Management Act 2010.

1. “Flood” includes any case where land not normally covered by water becomes covered by water.

2. It does not matter for the purpose of subsection (1) whether a flood is caused by-

   (a) heavy rainfall,
   (b) a river overflowing or its banks being breached,
   (c) a dam overflowing or being breached,
   (d) tidal waters,
   (e) groundwater, or
   (f) anything else (including any combination of factors)
3. But “flood” does not include-

(a) a flood from any part of a sewerage system, unless wholly or partly caused by an increase in the volume of rainwater (including snow and other precipitation) entering or otherwise affecting the system, or

(b) a flood caused by a burst water main (within the meaning given by section 219 of the Water Industry Act 1991)

This is as stated within the Government Guidance on Flood Support Schemes dated 24 February 2014 and can be found here:


What can you apply for?

Grant funding can be used to claim for costs including the following:

- Immediate clear up costs (not covered by insurance)
- Removal of debris
- Non recoverable insurance excesses for repair or replacement of equipment and stock
- Non recoverable insurance excesses for repair or replacement of building structures
- Temporary Business Accommodation
- Extra staff costs
- Exceptional business costs (e.g. hire of dehumidifiers)
- Structural Surveys
- Security Measures
- Exceptional costs to improve access for suppliers or customers
- Significant loss of trade (very small or insignificant impacts will not be considered and this will be at the discretion of the awarding panel)

What’s not covered?

The following are not covered by this grant:

- Insured losses or items that insurance should normally cover
- Activity that remains the responsibility of local authorities or other bodies
- Recoverable VAT

Please also note that routine business expenses or costs that are recoverable elsewhere are not eligible expenditure for the purposes of this claim.
If you have chosen not to take out insurance cover for your business you cannot claim for costs which would normally be covered by a standard insurance policy. If you have insurance cover but have chosen not to claim against it, you cannot claim for costs which would be covered by it.

**Application Deadline**

The deadline for receipt of applications to the Business Support Scheme is **5.00pm 31st JULY 2016.** You can apply as early as you like before the deadline date.

Applications received after the deadline will not be considered.

**Decision Date**

Following the application deadline, all the bids will be considered and you will be notified of the decision made on your grant application. All grant payments awarded will be paid via BACS as soon as possible.

**Minimum and Maximum Awards**

Southend-on-Sea Borough Council will be able to offer a maximum grant claim limit is £3,000 per business. Due to the limited amount of funding available we may not be able to cover all the items that you claim for.

**Completing the Application Form**

Whilst we are aware of the acute difficulties caused by the flooding, we must ensure that public funding is administered appropriately. As a result, you must complete the application form in full; failure to do so will result in delays in processing your application.

**Applicant’s Name and Address**

- **Name of business / organisation requesting grant:** the proper legal name of the applicant’s business (usually the same name as that which appears on its business trading accounts).
- **Address of Business Premises:** the address of the flooded or impacted business. Please make sure you complete the ‘postcode’ box.
- **Type of business / organisation (sole trader, partnership, limited company etc):** this is the legal status of the business and will correspond with the business accounts.
- **Business Rates Reference Number:** this is the business rates reference number shown on your bill.
- **Name of Applicant:** we require a named individual within the business to be a point of contact for the application, and who has the legal right to apply for funding on behalf of the business.
• **Telephone Numbers:** In case we need to contact you regarding your application – please include both a landline and a mobile number.

• **Email:** we prefer electronic correspondence for speed and efficiency.

**Business Size**

• Is the business a SME (small or medium sized enterprise)? Only SME’s are eligible to apply to this scheme. To qualify as a small or medium sized enterprise (as defined by the EU), the business or any parent company or group will need to have less than 250 employees and either:

  o an annual turnover of less than €50 million; or,
  o an annual balance sheet of less than €43 million.

• Number of Employees: This should be the number of employees or full time equivalents (FTEs) at the time you submit the application. We need this information to calculate your business size. A FTE is based on a 30-hour working week. For example, if you have a part-time employee working 20 hours per week, then the FTE will be 20/30 = 0.66FTE. Similarly, if a seasonal worker is working 30 hours per week, but for 3 months per year, then this would be 0.25FTE.

**Business Premises**

• Do you own or lease your business premises? Please state whether you are the owner of your property or you lease your property.

• If you are a lease holder, are you responsible for the fabric of the building or is this the responsibility of your landlord? If you are not responsible for repairs to the fabric of your property, because you are not the landlord or are not required to do so according to your lease, a separate application should be made by the property owner for any claim with regard to your property fabric.

**Impacts**

• Were you directly or indirectly impacted by the flooding: Based on the definitions below, please indicate whether you were directly or indirectly impacted by the flooding.

  o **DIRECT Impacts:** Business has suffered direct damage and loss to premises, equipment and/or stock, has been unable to trade normally as a result of flooding and suffered significant loss of trade.

  o **INDIRECT Impacts:** Business has had no or highly limited access to premises, equipment and/or stock as a result of flooding, restricted access to customers and suppliers and suffered significant loss of trade.
Please provide details of these impacts in the space given.

- Period(s) in which you were directly flooded or indirectly impacted by the flooding: please give dates when you were flooded and impacted by the flooding.

**Funding Requested**

- Please give details of the grant funding requested in the table. Please fill in details of the damage / impact experienced and the amount of grant requested to account for this. If your claim doesn't fit within one of the designated categories, please detail this in the second table.
- Please fill in the total amount of grant requested in the final table.

**Supporting Documentation**

- **EVIDENCE:** To ensure funding is targeted at those most in need, we require all applicants to provide evidence of loss / impact (such as photographs) and evidence that this loss is directly attributable to the recent flooding. We will also review Environment Agency flood data to confirm that an applicant's business is within an area where flooding has occurred.
- **INSURANCE:** We require details of the insurance cover in place for the business and the terms of the policy. We require evidence that items for which you are seeking grant aid are not covered through an insurance policy. Please submit your insurance policy summary or a letter from your insurers confirming that such items are not covered. Additionally please submit any correspondence with your insurer since the start of the floods with regard to payment of excesses and claiming for impacts.
- **RECEIPTS / QUOTES:** If you are claiming for expenses already incurred, we require evidence in the form of a receipt to evidence the expenditure on each specific item being claimed for. If you are claiming for works you are planning on undertaking then please send through a valid quote for these works.

If you are applying for a grant for significant loss of trade, then we will require you to submit monthly management accounts (or other trading accounts) for the period affected by the flooding on **31st May 2016** to enable an accurate assessment of the impact to be determined.

**Value Added Tax (VAT) declaration**

- Please provide details on whether you are registered for VAT or not, and where appropriate provide details on how you will handle VAT.

**Grant Requested in this Application**

- Please state the total amount of grant you are applying for. This should match the figure quoted in Funding Requested.
State Aid

- State Aid is financial support that is provided by the State to business organisations.
- State Aid rules exist to avoid public funded interventions distorting competition within the European Union. Generally State Aid is prohibited and unlawful. However there are number of exemptions, which if they apply, render the State Aid lawful and permitted. The relevant exemption in respect of this application is De Minimis Aid. For your application to be successful it must fall within the De Minimis Aid criteria.
- Under the De Minimis Aid criteria there is a De Minimis Threshold. Where an applicant, parent company or subsidiary receives aid, over a three year period that exceeds the threshold, they will not be entitled to De Minimis Aid.
- To decide whether your application is eligible for De Minimis Aid (and therefore this grant) we need to know if you or any company in your group of businesses has received State Aid or if you expect to receive any State Aid in the current financial year or the previous 2 financial years. Usually where De Minimis Aid has been provided, you will have received a letter informing you that the assistance you were given was given under the De Minimis Regulations.
- Generally the De Minimis Threshold is €200,000 (approximately £167,000) over the current financial year and the two previous financial years. However, the threshold for undertakings involved in road transport is €100,000 (approximately £83,500). If some aid has been received by the undertaking in previous years but this does not exceed the De Minimis Threshold then funding may be granted up to the De Minimis Threshold level. The threshold applies to all aid received by a parent company/group of businesses rather than just a subsidiary.
- For exchange rate purposes, the Commission's exchange rate should be used as it is or was on the day the aid was granted.

Business Bank Account Information

- Any grant payments that are awarded will be paid via BACS. To enable this, please provide your account details.

Declaration

- The declaration must be signed by one of the owners of the business, or one Director in the case of limited companies.
- Please note that any person or corporate body who knowingly or recklessly makes any false statement for the purpose of obtaining grant or for the purpose of assisting any person to obtain a grant is liable to be prosecuted. A false or misleading statement may also mean that approval will be revoked and any grant recovered.
Application Submission

When your application form is complete and you have all required supporting information please post to:

Southend-on-Sea Borough Council
Economic Development Team
Civic Centre
Victoria Avenue
Southend-on-Sea
Essex
SS2 6ER

Alternatively, please scan and email a signed copy with supporting documentation to economicd@southend.gov.uk

You can submit your application at any time up to and including the closing date, which is 5.00PM on 31st JULY 2016

Next Steps

When received, your application will be checked for eligibility and completeness and your case for funding will be assessed.

All applications will be considered and scrutinised before a decision is taken. All grant payments awarded will be paid via BACS.

Please make sure your application is complete and that all documents are included.

Southend-on-Sea Borough Council may also contact you for additional information if needed to assist with processing your application; please be prepared to provide this information as quickly as possible.

Claim Approved

If your grant requested is approved, either in whole or in part, you will be notified in writing. All grant payments awarded will be paid via BACS as soon as possible.

Claim Rejected

If your request for a grant is rejected, we’ll write to you outlining the reasons for the decision. The decision of Council is final and there will be no appeals process; therefore you are advised to ensure your application form and supporting evidence are complete.

Please be aware that funding is limited and we will prioritise those applicants that have been most affected by the exceptional weather.