



## **Neath Port Talbot County Borough Council**

### **Cabinet**

**20<sup>th</sup> July 2020**

### **Report of the Head of Finance – Huw Jones**

#### **Matter for Decision:**

#### **Grant Support to Start Up Businesses of £2,500**

#### **Wards Affected: All**

#### **Purpose of report**

1. To enable the Council to make grant payments of £2,500 to eligible Businesses in Neath Port Talbot in line with the Welsh Government scheme.

#### **Background**

2. The Welsh Government have announced grant funding of £207,500 to the Council in order to provide grants of £2,500 to eligible Start Up Businesses in the County Borough.

These small businesses will have been affected by the Covid-19 pandemic but will not have qualified for previous NDR grant support or Welsh Government Economic Resilience Funding.

The grant is on a first come first served basis, the first 83 applicants to apply and provide all appropriate supporting evidence will receive a grant. Subsequent applicants will be informed that the grant scheme has closed.

The Council is required to adopt the scheme and decide in each individual case when to pay the grant.

## **Qualifying Criteria**

3. The eligibility criteria for the Start-Up Grant is:

- Businesses must be operating in Wales
- Started trading between 1<sup>st</sup> April 2019 and 1<sup>st</sup> March 2020
- Forecast annual turnover less than £50,000
- Not in receipt of the Self Employment Income Support Scheme, Economic Resilience Fund or the Business Rate Grant
- Businesses must have one or more of the following:
  - HMRC Unique Taxpayer Reference (UTR) Number
  - VAT Registration Number or a VAT exemption certificate
  - Written correspondence confirming registration with HMRC
- Have experienced a drop in turnover greater than 50% as a result of the Covid-19 outbreak between April and June 2020
- Supported businesses must aim to maintain employment for 12 months

## **Financial Impact**

4. Welsh Government have allocated the Council £207,500 to fund the cost of 83 grants.

## **Integrated Impact Assessment**

5. This report does not require an Integrated Impact Assessment.

## **Valleys Community Impacts**

6. Positive impact for business rates payers who fit the criteria for the relief and subsequent reduction in rates bill.

## **Workforce impacts**

7. There will be additional staff resource time required to review and process applications received. This work will be absorbed within the Economic Development Team.

## **Legal impact**

8. There are no legal or state aid implications given the size of the businesses eligible to apply and the value of grant support to be provided.

## **Risk management**

9. There are no risk management implications associated with this scheme.

## **Consultation**

10. There is no requirement under the Constitution for external consultation on this item.

## **Recommendation**

11. It is recommended that Members accept the grant funding and approve payment of grants to eligible Businesses for 2020/21 as set out in this report.

## **Reason for proposed decision**

12. To enable the Council to make payments to eligible businesses in line with the Welsh Government Scheme

## **Implementation of decision**

13. The decision is proposed for urgent implementation.

## **Appendices**

14. Appendix 1 – WG Start Up Grant – Scheme Guidance Notes.

## **List of background papers**

15. Local Government Finance Act 1988.  
Welsh Government Grant Scheme Guidance.

## **Officer contact**

16. Mr Huw Jones – Head of Finance  
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## **GUIDANCE NOTES**

This is a grant to provide financial assistance for newly created self-employed businesses that are facing operational and financial challenges as a result of the COVID-19 outbreak.

### **START UP GRANT - PURPOSE OF THE GRANT**

The purpose of the grant is to support newly created businesses with immediate cash flow support to help them survive the economic consequences of the Covid-19 outbreak. The grant seeks to complement other Covid-19 response measures to support businesses, social enterprises and charitable organisations in Wales.

### **BUSINESS WALES**

Business Wales provides tailored support to start-up, micro and small and medium sized businesses in Wales. The service can help you understand what your needs are and provide tailored support packages including access to online tools, workshops, specialist advisers and mentors. In addition to working with you on a business diagnostic and action plan, our advisers can also provide targeted financial advice and access other support that you might benefit from.

Any applicants can register for support with the Business Wales service once the grant is awarded.

To find out more, please visit [www.businesswales.gov.wales](http://www.businesswales.gov.wales).

### **START UP GRANT – WHO CAN APPLY ?**

A grant of £2,500 is available to assist newly created businesses that have been affected by the Covid-19 outbreak.

This grant can only be claimed by businesses that meet the following criteria:

Started trading between 1<sup>st</sup> April 2019 and 1st March 2020  
Forecast annual turnover less than £50,000  
Not in receipt of Self Employment Income Support  
Businesses must be operating in Wales

Businesses must have one or more of the following  
HMRC Unique Taxpayer Reference (UTR) Number  
VAT Registration Number or a VAT exemption certificate  
Written correspondence confirming registration with HMRC  
Have experienced a drop in turnover greater than >50% as a result of  
the Covid-19 outbreak between April and June 2020  
Supported businesses must aim to maintain employment for 12 months  
Only one application per business  
Businesses will need to provide  
Proof of identification (one of the following)  
Current UK or EEA photocard driving licence  
Current signed passport  
Original Birth certificate  
  
Proof of business address (one of the following)  
Council tax statement  
Utility bill  
Written correspondence confirming registration with HMRC

Evidence of active trading up to 17<sup>th</sup> March 2020  
Business bank statement or other financial statement (e.g. Paypal) to be  
provided from date of trading up to end of June 2020

The grant is available to newly created businesses that are not eligible  
for the Business Rate Grant, the Self Employment Income Support  
Scheme or the Economic Resilience Fund.

Second home owners with short or long term tenancy agreements are  
not eligible for this grant.

## START UP GRANT - HOW MUCH CAN YOU APPLY FOR?

A grant of £2,500 is available per business, to support with immediate  
cash flow to help businesses remain solvent throughout the disrupted  
trading period.

Businesses need to confirm that without the grant support the viability of  
the enterprise will be under threat, and outline why.

All applications will be considered on an individual basis and payment of the grant is at the absolute discretion of the Local Authority within the criteria set out in these guidance”.

## START UP GRANT - HOW TO APPLY

Businesses can apply for the grant by accessing the Economic Resilience Fund Eligibility Checker on the Business Wales website <https://fundchecker.businesswales.gov.wales/>. The form must be completed electronically and needs to be emailed together with the required evidence documents, to the relevant Local Authority. Scanned documents and photos are acceptable forms of evidence for this purpose. Contact details can be found on page 5 of this document.

The Start Up Grant is open to applications from the 29<sup>th</sup> June 2020 until the fund is fully committed. 2000 grants are available pan Wales and applications will be dealt with on a first come first served basis. This may lead to applications not being appraised after they have been submitted if the fund is fully committed.

The Local Authority has absolute discretion on the duration and terms of the fund.

## START UP GRANT - GUIDANCE ON COMPLETING THE FORM

### Section 1 – Your personal details

This part asks for information about you ‘the applicant’.

### Section 2 – Information about your business

This part asks for information about your business. Please ensure the details in this section are accurate and complete. Application forms that have incomplete or inaccurate data will not be processed.

### State Aid

You must declare if you have received any De Minimis State Aid during the previous 3 fiscal years (i.e. current fiscal year and the previous two fiscal years) together with the amount received and details of the awarding body.

#### *What is State Aid?*

State Aid is any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially

distort competition and trade in the European Union (EU).

<https://www.gov.uk/guidance/state-aid>

### Section 3 – Impact of Covid-19 on your business

We need to understand how the Covid-19 outbreak has affected you and your business. Please complete this section in as much detail as possible so that we can understand why you need assistance from this grant fund.

You will need to demonstrate that your business has suffered disruption to the running of the business and you are facing operational and financial challenges as a result of the COVID-19 outbreak. You will need to demonstrate a reduction in your turnover of 50% or more as evidenced through bank statements.

### Section 4 – Bank Details

This information will be used to make the grant payment to you – please ensure these details are correct.

### Section 5 - Declarations

Please read the declarations carefully and tick the boxes to confirm you accept and understand the declarations.

It is very important that you have read this guidance and understand the terms and conditions associated with this grant application.

Once completed, please send your application form together with the evidence requested to your local authority at the address on page 5.

### CHECKLIST

Your completed application form must be accompanied by proof of identification, proof of address and proof of active trading as detailed on pages 2 of this document.

### START UP GRANT

#### WHAT HAPPENS AFTER THE APPLICATION IS RECEIVED?

Receipt of your application will be acknowledged within 10 working days.

Decisions on applications will be made based on the information provided in the application form, associated evidence and information checks that are conducted from other business data sources. If any data

in incomplete or incorrect or the evidence provided is insufficient we will not process the application and it will be rejected.

We aim to process grant applications within 30 days of receipt.

If applications are approved you will receive a grant offer letter by email notifying you of the award of the grant, the likely payment date and a link to the terms and conditions for your reference. Grant offers will be open for 14 days – if not accepted within this period the offer will be withdrawn.

Grants will be paid on the basis that 100% of the grant is paid up front.

Applicants must accept the offer letter by e-mail before payment can be made. The email address for your local authority can be found on page 5 of this document.

If your application is unsuccessful, you will receive an email outlining the reason[s] for rejection. There is no appeal process.

#### **START UP GRANT - GRANT REPAYMENT**

Applicants should note that the Local Authority may require repayment of the grant in full or part if evidence emerges that the applicant was not eligible for the Start Up Grant.