

# **Teignbridge District Council Discretionary Business Grant Scheme 2020/21**

## Version Control

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## 1.0 Purpose of the scheme

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council's Discretionary Business Grants Scheme.
- 1.2 The new Discretionary Business Grant Scheme has been developed in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 1<sup>st</sup> May 2020 which sets out circumstances whereby a grant payment **may** be made by the Council to a business who has not previously qualified for a direct business grant and is suffering a significant fall in income due to the COVID-19 crisis.
- 1.3 Whilst the awarding of grants will be at the total discretion of the Council, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria which **must** be met by each business making an application for a discretionary grant. The Department has also indicated the types of business which should be given priority.
- 1.4 This document sets out the criteria which BEIS have provided to the Council to determine eligibility for the Discretionary Business Grant. It also outlines the approach the Council will take in determining whether an award should be paid or not.
- 1.5 This scheme has been created in conjunction with the other District and Borough Councils within the County and the general principals of the scheme are:
- **Flexibility**; to target grants towards businesses that are most important to each local economy;
  - **Consistency**; to avoid significant differences of approach between adjacent Districts that might be perceived as unjust;
  - **Efficiency**; to issue grants as quickly as possible whilst meeting democratic, eligibility and technical requirements;
  - **Fairness**; to ensure that the funds are not exhausted before eligible businesses have had the opportunity to apply;
  - **Simplicity**; the application process will be based on the philosophy of self-assessment and be as streamlined as possible;
  - **Economic Benefit**; Grant award levels shall be set to strike a balance of making a difference to those most in need, against paying the most businesses, such that the most economic advantage is provided from the discretionary grant programme; and
  - **Fraud**; the process will capture evidence such as certified accounts and bank statements that can be used to identify fraudulent applications. A self-declaration that the information provided is a true reflection of the facts, will also be required. The Council will also be applying post application checks as well as sharing data with Central Government and across other grant schemes.

## 2.0 Funding

- 2.1 Central Government has provided the Council with a sum of £1,996,250 which represents 5% of the projected allocation for the Direct Business Grants. The funding level is finite and therefore the Council, although keen to ensure that grants are given to the maximum number of businesses, is conscious that its expenditure cannot exceed that amount.
- 2.2 The Council will limit the total awards to the level of funding available from Central Government.

## 3.0 Eligibility criteria of the fund

- 3.1 Central Government, whilst wanting Councils to exercise their local knowledge and discretion, have set national mandatory criteria for the funds. In all cases, the Council will only consider businesses for Discretionary Business Grant where **all** of the criteria are met.
- 3.2 Any business failing to meet the criteria or failing to provide the Council with sufficient information to determine whether they meet the criteria, will not be awarded a Discretionary Business Grant.
- 3.3 The businesses that can apply must have been trading at 11<sup>th</sup> March 2020.
- 3.4 In addition, businesses which are **eligible** for any of the following are **ineligible for any Discretionary Business Grant**:
- 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;

## 4.0 Definitions - Eligibility Criteria

- 4.1 For the sake of clarity the following definitions are provided in respect of the criteria set out in paragraphs 3.3 and 3.4:
- **Businesses must demonstrate that they have ongoing fixed premises related costs**
    - for the purpose of this scheme, the Council determines fixed premises-related costs to be;
      - Payments of mortgage, lease, rent or licence for business premises or mooring charges and fees. Costs should not be for domestic premises, apart from the exception of Bed and Breakfast premises as defined in part 6 of this scheme;
      - The payments must represent a high proportion of expenses in relation to the overall income of the business; and
      - The payments are unavoidable and are ongoing.

The Council has determined that each business will have to provide evidence of high on-going fixed premises-related costs. The Council may require the business to provide evidence of liabilities including mortgage, lease, tenancy, service charges, licence or fee documentation.

- **Businesses must demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis** – the Council has determined that businesses certify that there has been a significant fall in income. The Council will require the business to provide the Council with the bank statements for at least one full month during the period March 2020 to May 2020. The Council must be sure that the fall in income is due to the COVID-19 crisis and not a general failure of business. Where necessary businesses may need to provide evidence to the Council to support their application;
- **Businesses must be trading on 11<sup>th</sup> March 2020** – the Council will require the business to certify that the it was trading on 11<sup>th</sup> March 2020 and was not dormant, subject to a winding up order, in administration or subject to striking off;
- **Eligible to a grant under the Small Business Grant Scheme or the Retail Hospitality or Leisure Scheme<sup>1</sup>** – where the business is either eligible to receive or has received a grant under either of the two schemes administered by the Council, no Discretionary Business Grant shall be awarded;
- **Eligible to assistance under the Fisheries Response Fund** – as administered by the Marine Management Organisation (MMO) and funded by HM Treasury and the Department for Environment, Food and Rural Affairs. Where the business or person is eligible to assistance under this fund, no Discretionary Business Grant shall be awarded;
- **Eligible to assistance under the Domestic Seafood Supply Scheme (DSSS)** as administered by the Marine Management Organisation (MMO) and funded by HM Treasury and the Maritime and Fisheries Fund. Where the business or person is eligible to assistance under this fund, no Discretionary Business Grant shall be awarded;
- **Eligible to assistance under the Zoos Support Fund** as administered by the Department for Environment, Food and Rural Affairs. Where the business or person is eligible to assistance under this fund, no Discretionary Business Grant shall be awarded;
- **Eligible to assistance under the Dairy Hardship Fund** as administered by the Department for Environment, Food and Rural Affairs. Where the business or person is eligible to assistance under this fund, no Discretionary Business Grant shall be awarded;

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<sup>1</sup> **Eligibility Criteria for either the Small Business Grant or Retail Hospitality and Leisure Grant** as determined by the Department for Business, Energy & Industrial Strategy and administered by the Council;

## 5.0 National Priority Businesses

5.1 Government are asking Councils to prioritise the following types of businesses for grants from within this discretionary fund:

- (a) **Small businesses in shared offices or other flexible workspaces** e.g. industrial parks, science parks, incubators etc., which do not have their own business rates assessment;
- (b) **Regular market traders who do not have their own business rates assessment;**
- (c) **Bed and Breakfast premises which pay Council Tax instead of business rates;** and
- (d) **Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.**

5.2 The list set out above is not intended to be exhaustive, but it is intended to guide Councils as to the types of uses that the Government considers should be a priority for the scheme. The Council will decide whether particular situations not listed are broadly similar in nature to those above and, if so, whether they may be eligible for grants from this discretionary fund.

## 6.0 Definitions - National Priority Businesses

6.1 In line with Government's priorities for the fund, the following definitions have been used to determine whether any particular business should be treated as a priority for the funding:

### **Small businesses in shared offices or other flexible workspaces which do not have their own business rates assessment**

6.2 These are defined by the Council as businesses which do not have a separate assessment for Non-Domestic Rating (i.e. those businesses who do not occupy a separate hereditament within the 2017 Rating List) and who, on the 11<sup>th</sup> March 2020 were trading and shared the premises with other businesses.

6.3 Primarily, these businesses will not be assessed individually for Non-Domestic Rating on the basis that the landlord has paramount occupation of the premises.

### **Regular market traders who do not have their own business rates assessment**

6.4 As with the other priority businesses for this fund, these will be businesses who do not have a separate assessment for Non-Domestic Rating (i.e. those businesses who do not occupy a separate hereditament within the 2017 Rating List).

6.5 The Council has decided that for the purpose of this scheme, market traders shall be defined as: "a business or person who sells goods wholly or mainly to visiting members of the public from a stall, pitch or similar, from a place or market recognised by the Council as a market".

Where the business is street trading, the business or person must hold a valid street market licence issued by the Council.

- 6.6 All market traders must prove to the Council that as at 11<sup>th</sup> March 2020, they had a regular pitch or stall within the Council's area from which they sold goods to visiting members of the public.
- 6.7 For the purposes of this scheme, 'regular' is defined as at least weekly. Where the market trader traded less frequently, the Council will not consider the business as priority for a grant.
- 6.8 Where a market trader operates in more than one local authority area, the applicant will need to certify that they trade primarily in the Council's area or have fixed business base within the Council's area. Where a grant is claimed from another authority, no grant will be awarded by the Council.

### **Bed and Breakfast premises which pay Council Tax instead of business rates**

- 6.9 For the purpose of this scheme, these businesses are those who do not occupy a separate hereditament within the 2017 Rating List and who the Valuation Office Agency would deem to fall within the Council Tax Valuation List.
- 6.10 For the avoidance of doubt, the Council will consider this as a priority business if:
- (a) the Bed and Breakfast property is domestic and therefore subject to council tax rather than business rates;
  - (b) It provides short stay accommodation for no more than six persons at any one time within the past year;
  - (c) The property is the sole or main residence of the proprietor(s) and the bed and breakfast use is subsidiary to the private use; and
  - (d) The business was trading on 11<sup>th</sup> March 2020.
- 6.11 In determining subsidiary, use the Council shall take into account:
- Whether the majority of the premises is being used for business purposes: and
  - If the premises have been adapted to alter the character of the property beyond that of a private house.
- 6.12 Where the Council has determined that the Bed and Breakfast premises should have been subject to Non-Domestic Rating, the business shall not be considered as a priority for a Discretionary Business Grant.
- 6.13 The Council has determined that any premises where it considers that the Bed and Breakfast business is basically 'home sharing' and where advertising is wholly undertaken through 'home sharing' websites will not take priority for the fund.



## **Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief**

- 6.14 In certain cases, where a charity was in receipt of mandatory relief under Section 43 of the Local Government Finance Act 1988, it would not have been entitled to either Small Business Rates Relief or Rural Rate Relief. As such it would not have been able to receive a grant under the Small Business Grant Fund.
- 6.15 The Council will give priority to charities who, were it not for the receipt of mandatory relief, would have met the qualifying criteria for the Small Business Grants (see the Council's policy for Direct Business Grants). It should be noted that this only relates to premises that would, but for the receipt of mandatory rate relief, have received a percentage reduction under the Small Business Rates Criteria. In the main this will be premises with a Rateable Value of £15,000 or less and where the ratepayer occupies only one premises (excluding any premises which would be disregarded under the Small Business Rates Relief scheme).
- 6.16 The Council has decided that any charitable business receiving other help from public funds (i.e. from Government, Local Authorities etc.) shall not be priority for a Discretionary Business Grant.

## **7.0 Local Fund Priorities**

- 7.1 the Council has decided that it will accept applications from all local businesses which are eligible under the criteria set out in 3.0
- 7.2 The Council has decided that local businesses with more than 50 employees based in Teignbridge will be scored higher alongside the national priority business defined in sections 5 and 6:
- 7.3 In all cases, the businesses **must** meet the eligibility criteria stated in sections 3 and 4.

## **8.0 How will grants be provided to businesses?**

- 8.1 The Council is fully aware of the importance of grants to assist businesses and support the local community and economy. The Discretionary Business Grant scheme will offer a lifeline to businesses who are struggling to survive due to the COVID-19 crisis.
- 8.2 In all cases, a simple application form **is** required, and this can be completed on-line at the Council's website:  
<https://www.teignbridge.gov.uk/business/business-support-and-advice/business-help-and-support-during-coronavirus/discretionary-business-grants/>  
Supplementary information will also be required, and all businesses should look to provide this, where requested to the Council as soon as possible. The application is largely self- certification, but

applicants should be aware that the Council is obliged to manage the risk of fraud as outlined in section 17.

- 8.3 An application for a Discretionary Business Grant is deemed to have been made when a duly completed application form is received via the Council's online procedure.

## **9.0 How much grant will be payable**

- 9.1 Central Government has determined that there shall be a 'cap' on grants of £25,000 per business and that the next level of grant shall be £10,000. However, the Council under Central Government guidance, has the following discretion:
- (a) Whether to award grants at the £25,000 or £10,000 level; and
  - (b) To determine whether grants of less than £10,000 should be awarded.
- 9.2 The Council has decided that, for the purposes of this scheme that grants will be awarded at five fixed levels; £1k; £2.5k; £5k; £10k; and £25k. There will be a grant award limit of £5k applied to bed and breakfast businesses and a grant award limit of £2.5k awarded to market traders.
- 9.3 The Council will determine the amount of the grant awarded for each business on a case by case basis taking into account the following factors:
- the business must fall within the national priority list (sections 5 & 6) or local priority list (section 7);
  - the fall in business income due to the COVID-19 crisis;
  - the amount of fixed on-going premises costs; and
  - the number of employees
- 9.4 All businesses who meet the Government's basic criteria can apply for this scheme, but the local priorities (section 7) will score higher when deciding on the award of grants
- 9.5 Only one Discretionary Business Grant will be awarded to any business. This will also apply if more than one Limited Company has the same director (s) or where more than one business has the same proprietor (either sole traders or partnerships).
- 9.6 To maximise the number of businesses to benefit from this scheme, awards of the £25k are to be capped at 20% of the overall funding available.

## **10.0 Limitation of funds and applications**

- 10.1 All monies paid through the Discretionary Business Grant scheme will be funded by Central Government and paid to the Council under S31 of the Local Government Act 2003. However, as

mentioned in paragraph 2, the funds are limited and, as such, the Council is not able to award a grant where funds are no longer available.

10.2 In order to fairly administer the scheme, the Council has decided that awards will be determined in three tranches as follows:

**Tranche 1**

- All businesses applying in the first tranche (commencing on 8<sup>th</sup> June 2020) will be considered in line with the priorities stated;
- Where grants are awarded for the first tranche, payments shall be made from the week commencing 22<sup>nd</sup> June 2020;
- Where businesses are unsuccessful, they will be automatically entered into the second tranche;

**Tranche 2**

- Tranche 2 will commence on 22<sup>nd</sup> June and all applications from businesses will be considered in line with the priorities stated;
- Where grants are awarded for the second tranche, payments shall be made from the week commencing 6<sup>th</sup> July 2020;
- Where businesses are unsuccessful, they will be automatically entered into the third tranche;

**Tranche 3**

- Tranche 3 will commence on 6<sup>th</sup> July 2020 and all applications from businesses will be considered in line with the priorities stated;
- Where grants are awarded for the third tranche, payments shall be made from the week commencing 20<sup>th</sup> July 2020;

10.3 In the event that funds are still available after the third tranche, the Council reserves the right to make further tranches available.

10.4 Any businesses wishing to claim should complete the necessary form on the Council's website as shown in paragraph 8.2. All claims will be made online and this will also include the provision of such evidence as required by the Council.

10.5 As there is potentially insufficient funds available for all grant applicants, not all applicants will be successful, and some businesses will be left disappointed.

## **11.0 EU State Aid requirements**

11.1 Any Discretionary Business Grant is given as aid under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020. This means that businesses receiving support under these provisions can receive up to €800,000 in aid over three years (being the current and the previous two years).

11.2 Any grant awarded is required to comply with the EU law on State Aid.<sup>2</sup> This will involve the applicant declaring to the Council if they have received any other de minimis State aid or aid provided under the EU Commission Covid-19 Temporary Framework.

11.3 If the applicant has not received any other de minimis State aid, they are not required to make that declaration to the Council or to complete any declaration statement.

## **12.0 Scheme of delegation**

12.1 The Leader of the Council, in line with delegated powers, has approved this scheme on behalf of the Council.

12.2 Officers of the Council will administer the scheme and the Head of Place and Commercial Services is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Central Government guidance.

## **13.0 Notification of decisions**

13.1 Applications will be considered by designated officers of the Council.

13.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after the closure of the application period.

## **14.0 Reviews of decisions**

14.1 The Council's decision on whether to offer a grant is final and there is no opportunity to appeal.

## **15.0 Complaints**

15.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.

## **16.0 Other scheme conditions**

16.1 The Council has been informed by Treasury that all grants are taxable. Applicants should make their own enquiries to establish any tax position or liability. Only businesses which make an overall profit in the 2020/21 financial year once grant income is included will be subject to tax

## **17.0 Managing the risk of fraud**

- 17.1 Neither the Council, nor the Government will accept deliberate manipulation of the scheme and fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them.
- 17.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.
- 17.3 The Council reserves the right to reclaim any grant paid in error.

## **18.0 Data Protection**

- 18.1 All information and data provided by businesses shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.
- 18.2 The Council will not make available lists of businesses that have applied or that have been successful for grant payment.