

## **Rules and Guidance for applications to Somerset West and Taunton Council's Discretionary Business Grants Fund**

### **Introduction**

19. This guidance is intended to support businesses in the Somerset West and Taunton area applying to Somerset West and Taunton Council for a grant from the Local Authority Discretionary Business Grants Fund announced by the Government on 1 May 2020.
20. This guidance sets out the criteria under which businesses will qualify to make an application to the Discretionary Business Grants Fund, and the evidence required to support an application, and is aligned with the [Government guidance issued on 13/05/2020](#).
21. This is an additional fund to the [Small Business Grant Fund \(SBGF\) or the Retail Hospitality and Leisure Grant Fund \(RHLGF\)](#), and is primarily aimed at certain small businesses (and charities) who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund, and which have relatively high ongoing, fixed property-related costs, and which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis.

### **Scope and eligibility**

22. Outside of some prescribed elements, the Government guidance issued on 13/05/2020 gives the Council discretion over the grant scheme. Our decisions regarding the scheme will be final.
23. To be eligible to apply for a grant under this scheme:

#### For charitable organisations

- Your premises must be based within the SWT area
- The premises are used wholly for charitable purposes
- You are **not** a national charity
- Your premises must be in receipt of charitable business rates relief but would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

#### For all other business types

- Your business must be one of the qualifying business types referred to on our application form
- Your business must have been trading before 11 March 2020

- Your business must be based in SWT (or you must reside and trade within SWT area in the case of regular market traders)
- Your business must have experienced at least a 20% loss of turnover since the COVID19 pandemic lockdown
- You must have fixed property related costs of at least £200 per calendar month relating to this business (rent, mortgage payments, business insurance, water, gas, electric, landline telephone, broadband, business rates etc)
- Your business must **not** be in administration, insolvent or where a striking-off notice has been made
- Businesses which have received (either directly or passed on in full or in part by their landlord) or are eligible for cash grants from any central government COVID related scheme (apart from the Self Employed Income Scheme) are ineligible for funding from the Discretionary Business Grants Fund. Such grant schemes include but are not limited to:
  - Small Business Grant Fund (scheme 1)
  - Retail, Hospitality and Leisure Grant (Scheme 2)
  - The Fisheries Response Fund
  - Domestic Seafood Supply Scheme (DSSS).
  - The Zoos Support Fund
  - The Dairy Hardship Fund

Any help you may have received in relation to the Coronavirus Job Retention Scheme (Furlough scheme) or Government backed bounce-back loan from a commercial lender will be ignored.

24. Businesses who have applied for the Coronavirus Job Retention Scheme (Furlough Scheme) **are** eligible to apply for this scheme.
25. Companies that are in administration, are insolvent or where a striking-off notice has been made are **not** eligible for funding under this scheme.
26. Businesses operating from home (other than small B&Bs) are **not** eligible for a grant under this scheme.
27. Precepting authorities are not eligible to apply for a grant under this scheme.
28. A maximum of **one grant payment** can be made to any individual, partnership, business or organisation under this scheme.

## Our approach

29. We will administer a phased approach to the grants scheme to help manage the finite funds which have been made available for this scheme.
30. The first phase will run from 1 June 2020 until we have received sufficient applications which, in our opinion, could potentially use up the funds that are

available (this is likely to be around 200 applications) or two weeks have expired whichever is the sooner.

31. In line with the Government guidelines, the first phase will include any businesses falling within the following four categories which we refer to as Priority 1 applications:

- **Small businesses in shared spaces** – The small business must not have their own business rates assessment (although there may be a rates assessment that the landlord pays for the whole property). The ‘spaces’ must be within a building which has been specifically set up to be operated by more than one business in the same space. Examples might include enterprise centres, science parks and incubators or indoor markets or hairdressing salons where seats are rented to different self-employed hairdressers.
- **Regular market traders** with fixed building costs, such as pitch licence or rental and /or storage costs who do not have their own business rates assessment. This is aimed at outdoor market traders operating from licenced market venues. ‘Regular’ traders are those which, before Covid-19 restrictions, traded five days a week or more. Traders that only traded in occasional markets (e.g. once a month) would not be considered ‘regular’. Car boot traders are specifically excluded. The market trader must have their home address within the SWT area and must trade from licenced markets within the SWT area (either in addition or not to markets in other areas).
- **Bed & Breakfasts** which pay Council Tax instead of business rates. Before Covid-19 restrictions the premises must have provided both food and accommodation to paying guests and should be registered with the Council as a food business. Businesses providing accommodation only (e.g. Airbnb) are specifically excluded from this grant scheme.

and;

- **Charity** properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief. National charities are specifically excluded.

32. If, after the expiry of the two week period referred to in paragraph 12, **less than** £100,000 of the funds provided by the Government for this scheme remain available, we will extend the application window for the existing scheme (i.e. Priority 1 cases described within paragraph 13) for up to a further two weeks, or until the funds are exhausted, whichever is the sooner.

33. If, after the expiry of the two week period referred to in paragraph 12, **more than** £100,000 of the funds provided by the Government for this scheme remain available, we will open the scheme to the following business types, in addition to those in paragraph 13, for a further two weeks:

Priority 2 applications:

- **Businesses in the retail, hospitality and leisure** sector with a rateable value under £15,000 which are not eligible for the Small Business Grant Fund or the Retail Hospitality and Leisure Grant Fund
- **Businesses in the retail, hospitality and leisure** sector with a rateable value of between £15,000 and £120,000 which are not eligible for the Small Business Grant Fund or the Retail Hospitality and Leisure Grant Fund
- **Registered childcare nurseries** in receipt of nursery discount on their business rates bills (this does not include childminders).

Priority 3 applications

- **Other businesses or organisations** with rateable values up to £120,000

These priority 2 and 3 businesses must not be part of national chains nor be franchises which do not operate solely within the SWT area.

34. Subject to paragraph 15 applying, we will accept applications from priority 2 and 3 businesses for a maximum period of 2 weeks from Monday 15<sup>th</sup> June 2020 (or a date as soon thereafter as practicable), although we reserve the right to prevent further applications should it appear at any time the applications received are likely to exhaust the funds available.
35. During this further two week window we will process any further priority 1 applications received as well as priority 2 applications on a first come first served basis. **At the end** of this two week period, should funds remain available, we will start to process as many of the priority 3 applications we have received as remaining funds will allow, on a first come first served basis.
36. All grant applications must be made using the online form made available by the Council for this purpose.
37. The Council reserves the right to vary the terms of the scheme at any time, and without notice, should it be necessary to do so.

## State Aid

20. There is a requirement for all grants made under this scheme to be State Aid compliant, see [Details regarding State Aid \(para 46\)](#).

## Treatment of grants for taxation and means-tested benefits

21. Grant income received by a business is taxable therefore funding paid under the Local Authority Business Discretionary Grants Fund will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

22. Any grant awarded under this scheme should be declared as income for any means-tested benefits you may be claiming.

## Grant Amounts and how payments will be made

23. The Council has access to limited funds from Government for this scheme. We are only permitted to make payments of £25,000, £10,000 and sums under £10,000. It is expected that most grant allocations made will be under £10,000.
24. In order for the Discretionary Business Grant Fund to benefit a wide number of eligible small businesses, it is proposed to issue grants as set out in **appendix A**.
25. Payments will be made directly to approved recipients' bank accounts by electronic transfer. Grants will not be paid into bank accounts of individuals where the business is a limited company and vice versa.

## Other information

26. The Government and the Council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.
27. The Council does not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving grant payments under this scheme.
28. The submission of an application does not create a right to receive a payment under this scheme.
29. For the avoidance of doubt, the total amount of grants awarded under this scheme will not exceed the funds made available to the Council for this purpose. This may mean that we decline to pay applications, even though there is an underlying eligibility to a grant, if insufficient funds remain with which to make payment.
30. Enquiries about the scheme can be emailed to:  
[scheme3@somersetwestandtaunton.gov.uk](mailto:scheme3@somersetwestandtaunton.gov.uk)

## Processing your data

31. By making an application for a grant under this scheme you acknowledge and accept the following. If you do not agree to the following please do not submit a grant application.

32. The Council is responsible for carrying out checks to ensure that payments for this grant scheme are made correctly, and so will undertake checks for the purposes of preventing fraud and money laundering, and to verify your identity. These checks involve the processing of personal data about you, and this can be both before any money is paid and afterwards
33. The personal data you have provided, has been collected from you, or has been received from third parties will be used to prevent fraud and money laundering, and to verify your identity.
34. Details of the personal information that will be processed include, for example: name, address, contact details, financial information, and business details
35. The Council may also enable law enforcement agencies (or Government departments) to access and use your personal data to detect, investigate, and prevent crime
36. The Council will process your personal data on the basis that it is necessary in the public interest or in exercising official authority to prevent fraud and money laundering, and to verify identity, and to comply with the law.

## Appendix A

### Grant allocation under this scheme

Business Type	Grant Award
<b>Priority 1 applications</b>	
<b>Charity properties</b> in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.	<b>£10,000</b>
<b>Bed &amp; Breakfasts</b> which pay Council Tax instead of business rates	<b>£2,500</b>
<b>Regular market</b> traders with fixed property-related business costs who do not have their own business rates assessment	<b>£2,000</b>
<b>Small businesses in shared spaces</b> - which do not have their own business rates assessment	<b>£7,500</b>
<b>Priority 2 applications</b>	
Businesses in the retail, hospitality and leisure sector with a rateable value under £15,000	<b>£10,000</b>
Businesses in the retail, hospitality and leisure sector with a rateable value between £15,000 and £120,000	<b>£25,000</b>
Registered childcare nurseries in receipt of nursery discount on their business rates bills.	<b>£10,000</b>
<b>Priority 3 applications</b>	
Businesses or organisations in other sectors with rateable values up to £120,000	<b>£5,000</b>