



# **COVID-19 Business Support Grant**

## **Discretionary Grant Scheme**

### **Round 3**

## **1. Background**

- 1.1 In response to the COVID-19 crisis, the Government introduced range of grant schemes to assist businesses to mitigate the loss of income during the pandemic. It has been recognised by Government that many businesses were excluded from these grants.
- 1.2 Government have now announced that local authorities will be receiving a top-up to the funds they have previously administered in relation to businesses who were registered ratepayers and in receipt of Small Business Rate Relief, Rural Rate Relief or the extended Retail, Hospitality and Leisure Rate Relief and had a rateable value of under £51,000.
- 1.3 It is intended that these top-up funds are used to support certain types of small businesses previously outside the scope of the grant funds that are available. Local authorities are expected to prioritise businesses in shared spaces, regular market traders, small charity properties that would meet the criteria for Small Business Rates Relief, and bed and breakfasts that pay council tax rather than business rates. The allocation of funding will be at the discretion of local authorities.
- 1.4 Local authorities are responsible for delivering the grants to eligible businesses. Section 1 of the Localism Act 2011 provides all local authorities with the power to make these payments.
- 1.5 This document provides guidance about the operation and delivery of the scheme administered by Swale Borough Council, including:
- Eligibility criteria to be applied when making a decision to award or refuse relief;
  - Application and review process;
  - Appeals procedure for businesses dissatisfied with the Council's decision.
- 1.6 Following the completion of the first two rounds of applications, the Council has **very limited** funds remaining and so will now to opening up for a third and final round of applications.
- 1.7 *If you would like further advice on this scheme and how it will be applied, please contact the Economic Development team at [covidbusiness@swale.gov.uk](mailto:covidbusiness@swale.gov.uk)*

## **2. Which businesses will be eligible for the grant?**

- 2.1 The Swale Borough Council discretionary grant scheme is prioritised for the following types of businesses
1. Small businesses in shared premises or other flexible workspaces, e.g. industrial parks, science parks, incubators etc, which do not have their own business rates assessment;
  2. Regular market traders who do not have their own business rates assessment;
  3. B&B's that pay Council Tax instead of business rates;
  4. Charity properties in receipt of charitable business rates relief that could otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief; and

5. Businesses that directly support Swale’s visitor economy; this can include tourism, hospitality & leisure service providers including supply chain businesses
6. Micro entities who have been severely impacted by COVID-19 and occupy commercial premises with a rateable value of up to £51,000. Micro entities will have a turnover of £632,000 or less, £316,000 or less on its balance sheet, and 10 employees or less\*.  
*\*This criteria will be subject to there being funds remaining once all other priority type applications have been assessed..*

2.2 As well as being one of the prioritised business types listed above, your business **must also** fall into one or both of the following categories:

- Businesses with ongoing fixed building-related costs;
- Businesses which can demonstrate that they have suffered a significant fall in income specifically due to the COVID-19 crisis.

2.3 In addition, your business **must also** comply with **ALL** the following conditions:

- Have fewer than 50 employees;
- Have been trading on or before 11 March 2020;
- Have a turnover of less than £10.2million per annum;
- Occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000;
- Have no insolvency proceedings commenced or be in administration;
- Have no active strike off actions registered against the business at Companies House;
- Current State Aid rules – see Appendix B.
- **Or** be applying on the basis of being a micro business in property with a rateable value of up to £51,000.

2.4 In line with Government guidance, businesses that are **eligible\*** to receive financial support from any of the existing grant schemes (excluding the Self-Employment Income Support scheme\*\*) announced to support businesses through the COVID-19 crisis are **NOT** eligible to receive a grant from this discretionary fund. For a full list of these, please see below – full details of these schemes are available via weblinks in Appendix A.

*\*Note the reference to being eligible for one of the other grant schemes, not being in receipt of the grant.*

*\*\* Those that are eligible to receive the Self-Employment Income Support scheme grant will only be able to claim for fixed property costs via this discretionary grant scheme. No loss of income claims will be accepted.*

- Small Business Grant Fund / Retail, Hospitality and Leisure Grant Fund
- Emergency Funding for Charities Affected by Coronavirus
- The Fisheries Response Fund: Registered fishing vessel owners will be contacted directly in stages by MMO
- Domestic Seafood Supply Scheme (DSSS)
- The Zoos Support Fund
- The Dairy Hardship Fund (yet to open)

- 2.5 The Council will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain additional grant money may face prosecution and any funding issued will be subject to claw back.

### **3. Funding Levels**

- 3.1 The Government has set national criteria for the funds but are allowing local authorities to determine which cases to support within those criteria and to what amount, up to fixed caps of £10,000 and £25,000. Payments can be made of any amount under £10,000. There is no ability to award grant amounts between £10,000 and £25,000.
- 3.2 With demand for the scheme expected to be high, in relation to the money available, the Council expects that most grants will be **under £10,000**, enabling us to help as many businesses as possible. We do not envisage grants of £25,000 being made but reserve the option to do so in exceptional circumstances.
- 3.3 The Council will allocate grant awards according to how many eligible applications are received from the priority businesses identified; the evidenced level of income reduction due to COVID-19 in the period since 23 March and/or the evidenced level of fixed property related costs being incurred by the business over that period.

### **4. How do I apply?**

- 4.1 Due to the very limited funds available and the likelihood of applications outweighing the available funds, applications are invited by a fixed closing date and will be logged in the order received – should funds run out, those that applied after this point will be notified.
- 4.2 There will be an online application form published on the Council's website on **31 July**.
- 4.3 The third round of applications will be open for a limited time with a deadline of 11:59pm on the **7 August**. The Council reserves the right to bring the deadline forward should a greater number of applications be received than we have the available funds to award.
- 4.4 **Any applications received after this deadline will not be considered.**
- 4.5 Once an application is received, a member of the Economic Development team will contact the business and request the required evidence to support the application. Eligibility checks will also be carried out prior to the application review date including an independent security and fraud check by an external company.
- 4.6 If an application is received from a business that does not meet all of the required criteria, they will be informed as soon as possible of this and the reason(s) they are not eligible.
- 4.7 All eligible applications will be reviewed at the same time and a recommendation made to Swale Borough Council's Head of Housing, Economy and Community Services specifying the proposed award amount.

4.8 It is anticipated payments to successful businesses will be made as soon as is reasonably practical after a decision has been made and the grant acceptance form has been returned.

4.9 **No grants will be awarded without an application being made.**

## **5. Decision Making and Appeals**

- 5.1 Applications received will be reviewed by the Economic Development team and a recommendation on award made to Swale Borough Council's Head of Housing, Economy and Community Services for approval. A member of the Economic Development team will ensure that the decision outcome is notified by email as soon as is reasonably practical after the application review date.
- 5.2 Any appeal against the decision to award or not award a grant, or against the level of grant offered must be made in writing within 7 days of notification of the decision by email being sent.
- 5.3 Any appeals will be considered by Swale Borough Council's Director of Regeneration and their decision is final. The applicant will be notified of the final decision in writing within 10 working days of the appeal being received and will state whether the appeal is refused or accepted and will provide further information about the basis of the decision.

**APPENDIX A – Alternative Business Support Grant Schemes**

- Small Business Grant Fund / Retail, Hospitality and Leisure Grant Fund  
<https://www.gov.uk/government/publications/coronavirus-covid-19-business-support-grant-funding-guidance-for-businesses>
- Emergency Funding for Charities Affected by Coronavirus  
<https://kentcf.org.uk/funding/Coronavirusemergencyfund>
- The Fisheries Response Fund: Registered fishing vessel owners will be contacted directly in stages by MMO  
<https://www.gov.uk/government/publications/fisheries-response-fund-support-for-fishing-and-aquaculture-businesses>
- Domestic Seafood Supply Scheme (DSSS)  
<https://www.gov.uk/guidance/domestic-seafood-supply-scheme-dsss-how-to-apply-for-project-funding>
- The Zoos Support Fund  
<https://www.gov.uk/guidance/coronavirus-covid-19-apply-for-the-zoos-support-fund>
- The Dairy Hardship Fund (yet to open)  
<https://www.gov.uk/government/news/new-funding-to-support-dairy-farmers-through-coronavirus>

**APPENDIX B – State Aid Rules**

It is necessary for businesses applying to confirm compliance with State Aid rules.

Although the UK left the EU on 31 January 2020, the Council must be satisfied that all State Aid requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved COVID-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission.

Payments of up to and including £10,000 can be provided under the De Minimis rules, meaning applicants can receive up to €200,000 of aid within a three-year period.

Payments of up to and including £25,000 (or where the De Minimis threshold has been reached) should be paid under the COVID-19 Temporary Framework for UK Authorities which is €800,000 per business.