



Scarborough Borough Council  
Business Adaptation Grant Scheme

## Definitions

The following definitions are used within this document:

**Department for Business, Energy & Industrial Strategy (BEIS)** means the Government department responsible for the scheme and guidance.

**Hereditament(s)** means the assessment defined within Section 64 of the Local Government Finance Act 1988.

**In person services** means services which are wholly or mainly provided by the business to their customers face to face and which **cannot** be provided by other means such as online or remotely by telephone, email, video link or written communication.

**Local rating list** means the list as defined by Section 41 of the Local Government Finance Act 1988

**Rateable Value** means the rateable value for the hereditament shown in the Council's local rating list at the date of the local restrictions.

**Ratepayer** means the person who will receive the grant will be the person who, according to the Council's records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the local restrictions.

**State Aid Framework** means the Temporary Framework for State Aid measures to support the economy in the COVID-19 outbreak published on 19 March 2020.

**Subsidies** means the Government's replacement scheme for the previous State Aid Framework.

**Temporary Framework for State Aid** means the same as **State Aid Framework**.

## **1.0 Purpose of the Scheme and Background**

- 1.1** The purpose of this document is to determine eligibility for a payment under the Council's Business Adaptation Grant Scheme. The Council, as the Business Rates Billing Authority, is responsible for payment of these grants.
- 1.2** The discretionary grant scheme has been developed by the Council in response to recent announcements by the Secretary of State for BEIS to encourage grants to be made available to businesses as soon as possible in order to help them recover from the local and recent national restrictions.
- 1.3** This scheme, which forms a new part of the Council's Additional Restrictions Grant Scheme, is significantly different in its approach to previous schemes and businesses are encouraged to apply for assistance where they feel they meet the criteria.

## **2.0 Funding**

- 2.1** Under the Additional Restrictions Grant Scheme (ARG) provisions, the Council has been allocated funds for general business support and for the payment of direct grants if appropriate. The Council has allocated a sum of £250,000 for the purposes of Business Adaptation and Growth and this scheme will run alongside the Council's other schemes under the Additional Restrictions Grant provision.

## **3.0 Business Adaptations Grant - Eligibility Criteria & Awards**

- 3.1** As a direct response to the ongoing challenges facing businesses and the measures introduced by Government, this scheme has been created which will enable businesses to adapt their premises and/or their operations in order to continue to operate in a COVID secure environment and generate income whilst legislation permits them to remain open and/or when restrictions are removed and they are able to reopen.
- 3.2** To qualify, the business must meet the following criteria:
- (a) The business must be either micro, small or medium size as defined within this scheme. Awards will not be available to large businesses.
  - (b) The business has all up to date and relevant certificates to show compliance with laws and regulations relevant to its trade (for example a food hygiene certificate, a license to sell alcohol, permission to operate a pavement seating area etc).
  - (c) The business will continue to trade and is ensuring (and will continue to ensure) adherence to all COVID regulations.
  - (d) Businesses must have a minimum of 12 months trading history as at the date of their application.
- 3.3** Funding is intended to defray costs incurred by businesses as a direct result of making adaptations to their business or diversifying their operations to support future growth following the impact of COVID restrictions. Businesses may apply for funding irrespective of whether other business grants have been claimed from the Council, however only one application will be accepted from any business from this fund.

**3.4** The following expenditure will not qualify for a grant:

(a) Equipment and adaptations which are not COVID secure and do not follow the guidance and legislation set out by the Government.

(b) Acquisition of land and/or buildings.

(c) Direct subsidy of customer's existing purchases including rent, rates, wages etc. Payments to freelance workers in the arts & creative sector will be considered.

(d) Professional fees (e.g. legal fees, accountancy fees, surveyors or architect's fees and charges).

(e) Personal protective equipment consumable items such as masks, gloves, sanitiser or refills etc.

(f) Expenditure that doesn't have a positive impact on the ability of the business to grow / adapt (e.g. buying high spec IT equipment without providing an explanation as to why it is needed and how it will facilitate growth).

**3.5** The definitions of the size of business are as follows:

- A Micro business is defined by s384A (and not excluded by s384B) of the Companies Act 2006 and must meet two of the following requirements in a year:
  - Turnover must not be more than £632,000 per annum
  - The Balance Sheet total should not be more than £316,000
  - The number of employees should be less than 10.
- A Small business is defined by s382 and 383 (and not excluded by s384) of the Companies Act 2006 and must meet two of the following requirements in a year:
  - Turnover must not be more than £10.2 million per annum
  - The Balance Sheet total should not be more than £5.1 million
  - The number of employees should be less than 50.
- A Medium Sized business is defined by s465 and 466 (and not excluded by s467) of the Companies Act 2006 and must meet two of the following requirements in a year:
  - Turnover must not be more than £36 million per annum
  - The Balance Sheet total should not be more than £18 million
  - The number of employees should be less than 250

**Award Levels - Business Adaptations Grants**

**3.6** Where the Council is satisfied that an eligible business will incur relevant expenditure, a one off grant may be made of up to £5000.

**3.7** The Council will require each successful business to provide evidence of relevant expenditure. Should any funds either not be used for the defined purpose or remain unspent, the Council will require the amounts to be repaid.

**3.8** Grants will not be paid out until evidence of relevant expenditure is provided e.g. receipts and copies of company bank statements.

## **Excluded Businesses**

- 3.9** The following businesses will not be eligible for an award:
- (a) Businesses not located in the Scarborough Borough Council area
  - (b) Businesses who seek support for projects that take place outside of the Scarborough Borough Council area e.g. to set up a new branch
  - (c) Businesses that are in administration, are insolvent or where a striking off notice has been made
  - (d) Businesses that haven't been trading for 12 months at the time of application
  - (e) Businesses that are in arrears in respect of rates or any other payments e.g. parking fines due to the Council.

## **Who can receive the grant?**

- 3.10** Government has stated that the person who will receive the grant will be the person who, according to the Council's records, was the ratepayer in respect of the hereditament at the time of application. Where there is no entry in the rating list for the business (as you do not have to be a ratepayer to apply), the Council will have the discretion to determine who should receive the grant.
- 3.11** Where the Council has reason to believe that the information it holds about the ratepayer or business at the date of application is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.
- 3.12** Where it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 3.13** Where any business or individual that misrepresents information or contrives to take advantage of the scheme, the Council will seek to recover any grant paid and take appropriate legal action. Likewise, if any ratepayer is found to have falsified records in order to obtain a grant.

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

- 4.1** The Council is fully aware of the importance of these grants to assist businesses and support the local community and economy.
- 4.2** Details of how to obtain grants are available on the Council's website:  
<https://www.scarborough.gov.uk/node/8516>
- 4.3** In all cases, businesses will be required to confirm that they are eligible to receive the grants. This includes circumstances where the Council already has bank details for the business and are in a position to send out funding immediately. Businesses are under an obligation to notify the Council should they no longer meet the eligibility criteria for any additional grants.
- 4.4** All applications for this Business Adaptations Grant scheme must be received by 11.59pm on 30<sup>th</sup> November 2021. Any applications received after that date will not be assessed. Applications can be submitted by email to [business.support@scarborough.gov.uk](mailto:business.support@scarborough.gov.uk) or by post

/ in person to Economic Growth & Regeneration, Scarborough Borough Council, Town Hall, St Nicholas Street, Scarborough, YO11 2HG

- 4.5** All applications will be assessed by the Council after the 30th November and on the basis of quality, sufficiency of information provided, and conformance to the application criteria. All applicants will be informed of the outcome of the assessment immediately thereafter.
- 4.6** Any grants awarded have to be spent by 31<sup>st</sup> March 2022.
- 4.7** The Council reserves the right to request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.
- 4.8** An application for a grant is deemed to have been made when a duly completed application form is received via email, post or in person to the Town Hall.
- 4.9** Any award will be a single, one off payment.
- 4.10** Where more than one Limited Company has the same director(s) or more than one business has the same proprietor (e.g. sole trader or partnership) and any of the businesses under the control of the same directors have received any grants specified under this scheme and the total of these grants exceed £5000 then there shall be no entitlement to any further award.
- 5.0 Subsidies and EU State Aid**
- 5.1** The EU State Aid rules no longer apply to subsidies granted in the UK following the end of the transition period.
- 5.2** The UK, however, remains bound by its international commitments, including subsidy obligations set out in the Trade & Cooperation Agreement (TCA) with the EU.
- 5.3** The Council can still pay out subsidies under previously approved schemes and this includes subsidies related to COVID-19 that have previously been given under the EU State Aid Temporary Framework.
- 5.4** Businesses should make themselves aware of their obligations under Government's subsidies arrangements available on via the following link:  
<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>
- 6.0 Scheme of Delegation**
- 6.1** The Council has approved this scheme
- 6.2** Officers of the Council will administer the scheme and the Section 151 Officer is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and in line with Government guidance.
- 7.0 Notification of Decisions**
- 7.1** Applications will be considered on behalf of the Council by the Local Taxation Team.
- 7.2** 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 30<sup>th</sup> November deadline.

## **8.0 Reviews of Decisions**

**8.1** The Council will operate an internal review process and will accept an applicant's request for a review of its decision.

**8.2** All such requests must be made in writing to the Council within 14 days of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicants appeal.

**8.3** The application will be reconsidered by a senior officer, as soon as practicable and the applicant informed in writing or by email of the decision.

## **9.0 Complaints**

**9.1** The Council's complaints procedure (available at [www.scarborough.gov.uk](http://www.scarborough.gov.uk)) will be applied in the event of any complaint received about this scheme.

## **10.0 Taxation and the provision to information to HMRC**

**10.1** The Council has been informed by Government that all payments under the scheme are taxable.

**10.2** The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.

**10.3** All applicants should note that the Council is required to inform HMRC of all payments made to the business.

## **11.0 Managing the risk of fraud**

**11.1** Neither the Council nor Government will accept deliberate manipulation of the schemes or 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.

**11.2** Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

## **12.0 Recovery of amounts incorrectly paid**

**12.1** If it is established that any award has been made incorrectly due to an error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

## **13.0 Data Protection and use of data**

**13.1** All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.

