



Department for
Business, Energy
& Industrial Strategy

Grant Funding Schemes

Small Business Grant Fund and Retail, Hospitality and
Leisure Grant Fund Guidance

Version 2



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Contents

About this guidance	1
Introduction.....	1
How will the grants be provided?	1
How much funding will be provided to businesses?	1
Who will benefit from these schemes?	2
Who will receive this funding?	3
Managing the risk of fraud	3
Rating List Changes.....	4
Rating List Changes Exceptions	4
Post Event Assurance	4
Monitoring and Reporting Requirements.....	4
State Aid	5
Annex A Summary of Scheme Requirements	5
Annex B – Data Collection.....	7

About this guidance

1. This guidance is intended to support Local Authorities in administering the business grant schemes announced at Budget on 11 March 2020, and the level of funding was increased in a statement from the Chancellor on 17 March. This guidance applies to England only.
2. This guidance sets out the criteria which central government considers for this purpose to be eligible for the Small Business Grant Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RHLGF). This does not replace existing guidance.
3. Enquiries on this measure should be addressed to businessgrantfunds@beis.gov.uk

Introduction

4. In response to the Coronavirus, Covid – 19, the Government announced there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors.
5. This support will take the form of two grant funding schemes, the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund.
6. This document provides guidance to authorities about the operation and delivery of the policy.

How will the grants be provided?

7. The Government will, in line with the eligibility criteria set out in this guidance, reimburse Local Authorities that pay grants to eligible businesses. Central government will fully reimburse Local Authorities for the cost of the grant (using a grant under section 31 of the Local Government Act 2003). Local Authorities will be responsible for delivering the funding to eligible businesses.
8. We are committed to meeting the delivery costs to Local Authorities for this scheme, and will meet associated New Burdens costs. A New Burdens Assessment will be completed and funding then provided to authorities.
9. Local Authorities that will be responsible for making payments to businesses and which will receive funding from Government are business rate billing authorities in England.

How much funding will be provided to businesses?

10. Under the Small Business Grant Fund (SBGF) all businesses in England in receipt of Small Business Rates Relief (SBRR) and Rural Rates Relief (RRR) in the business rates system will be eligible for a payment of £10,000 in line with the eligibility criteria as set out in paragraphs 15-21.

11. Under the Retail, Hospitality and Leisure Grant (RHLG) businesses in England in receipt of the Expanded Retail Discount (which covers retail, hospitality and leisure) with a rateable value of less than £51,000 will be eligible for the following cash grants per property.
12. Eligible businesses in these sectors with a property that has a rateable value of up to £15,000 will receive a grant of £10,000, in line with the eligibility criteria as set out in paragraphs 22-27.
13. Eligible businesses in these sectors with a property that has a rateable value of over £15,000 and less than £51,000 will receive a grant of £25,000, in line with the eligibility criteria as set out in paragraphs 22-27.
14. Businesses with a rateable value of £51,000 or over are not eligible for this scheme. Businesses which are not ratepayers in the business rates system are not included in this scheme.

Who will benefit from these schemes?

Small Business Grant Fund

15. Hereditaments included in this scheme are those which on the 11 March 2020 were eligible for relief under the business rate Small Business Rate Relief Scheme (including those with a Rateable Value between £12,000 and £15,000 which receive tapered relief).
16. These are hereditaments to which:
 - a. Section 43 (4B)(a) of the Local Government Finance Act 1988 (small business rate relief) applied, and
 - b. The value of E (as defined in article 3 of the Non-Domestic Rating (Reliefs, thresholds and Amendment) (England) Order 2017, SI 2017/102) was greater than 1.
17. Hereditaments that were not eligible for percentage SBRR relief (including those eligible for the Small Business Rate Multiplier) are excluded.
18. Hereditaments which on 11 March 2020 were eligible for relief under the rural rate relief scheme are also eligible for this scheme. These are hereditaments to which Section 43 (6B) of the Local Government Finance Act 1988 (rural rate relief) applied.
19. Eligible recipients will receive one grant per hereditament.

Exclusions to Small Business Grant Fund

20. Hereditaments occupied for personal uses. Examples of where there may be personal use include private stables and loose boxes, beach huts and moorings.

21. Car parks and parking spaces.
22. For the avoidance of doubt, businesses which as of the 11 March were in liquidation or were dissolved will not be eligible.

Retail, Hospitality and Leisure Grant

23. Hereditaments which on the 11 March 2020 had a rateable value of less than £51,000 and would have been eligible for a discount under the business rates Expanded Retail Discount Scheme had that scheme been in force for that date are eligible for the grant.
24. Eligible recipients will receive one grant per hereditament.

Exclusions to RHLG

25. Hereditaments occupied for personal uses. Examples of where there may be personal use include private stables and loose boxes, beach huts and moorings.
26. Car parks and parking spaces.
27. For the avoidance of doubt, businesses which as of the 11 March were in liquidation or were dissolved will not be eligible.
28. Hereditaments with a rateable value of over £51,000.
29. Only one grant may be awarded per hereditament.

Who will receive this funding?

30. The person who according to the billing authority's records was the ratepayer in respect of the hereditament on the 11 March 2020.
31. Where the Local Authority has reason to believe that the information that they hold about the ratepayer on the 11 March 2020 is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. Local Authorities should make clear to recipients that the grant is for the ratepayer and may be liable for recovery if the recipient was not the ratepayer on the eligible day.
32. Landlord and management agents are urged to support local government in quickly identifying the correct ratepayer.

Managing the risk of fraud

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

34. The Government Grants Management Function and Counter Fraud Function will make their digital assurance tool, Spotlight, available to Local Authorities, and will offer support in using the tool and interpreting results.

Rating List Changes

35. Any changes to the rating list (rateable value or to the hereditament) after the 11 March 2020 including changes which have been backdated to this date should be ignored for the purposes of eligibility.
36. Local Authorities are not required to adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the 11 March 2020.

Rating List Changes Exceptions

37. In cases where it was factually clear to the Local Authority on the 11 March 2020 that the rating list was inaccurate on that date, Local Authorities may withhold the grant and/or award the grant based on their view of who would have been entitled to the grant had the list been accurate.
38. This is entirely at the discretion of the Local Authority and only intended to prevent manifest errors.
39. Where the Local Authority chooses to use this discretion then landlords and managing agents are urged to support the Local Authority in identifying quickly the correct ratepayers.

Post Event Assurance

40. Post payment, the Government Grants Management Function and Counter Fraud Function will support local authorities to carry out post-event assurance work to identify high risk payments.
41. Annex B sets out the minimum data local authorities will need to have available in a format that can be shared with central government, in order to complete effective post award assurance on grants (and in some cases needed to make awards). Local Authorities will already have/be collecting much of this data for other purposes.

Monitoring and Reporting Requirements

42. BEIS will undertake regular data collection exercise and Local Authorities as in the usual process will retain the necessary data on the awards provided. Further guidance will be forthcoming to support this process. The data will include:
- a) numbers of businesses eligible per scheme,
 - b) number of payments being processed and value per scheme, and
 - c) number of actual payments and value per scheme.

State Aid

43. The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission.

44. Authorities will be familiar with the administrative approach taken to State aid on previous business rates relief schemes operated under section 47. It is likely that payments made under these Schemes can be provided in the same way, however, further guidance will be issued shortly on this.

Annex A Summary of Scheme Requirements

	SCHEME 1 (BUSINESS SUPPORT GRANTS FUND)	SCHEME 2 (RETAIL, HOSPITALITY AND LEISURE BUSINESS GRANTS FUND)	
		2A (RATEABLE VALUE up to £15,000)	2B (RATEABLE VALUE £15,000.01 – 50,999.99)
PER BUSINESS GRANT	£10,000	£10,000	£25,000
FUNDING GEOGRAPHY	ENGLAND ONLY		
STATE AIDS	BUSINESS RATE BILLING AUTHORITIES		
	State aid applies €800,000 limit		
PAYMENTS TO LOCAL AUTHORITIES	FUNDING TO LOCAL AUTHORITIES BY S.31 GRANT ON OR BEFORE 1 ST APRIL 2020 GRANTS TO BE DETERMINED IN PROPORTION TO NUMBER OF ELIGIBLE HEREDITAMENTS		
ELIGIBILITY DATE OF SCHEME	11 March 2020		
ELIGIBILITY CRITERIA	<p>Hereditaments which were on the eligible date were eligible for relief under the business rate Small Business Rate Relief Scheme (including those in the £12k - £15k rateable value taper).</p> <p>These are hereditaments to which:</p> <p>Section 43 (4B)(a) of the Local government Finance Act 1988 (small business rate relief) applied, and The value of E (as defined in article 3 of the Non-Domestic Rating</p>	<p>Hereditaments which on the scheme eligibility date had a rateable value of less than £51,000 and would have been eligible for a discount under the Expanded Retail Discount scheme had that scheme been in force for that date.</p>	

	<p>(Relies, thresholds and Amendment) (England) Order 2017, SI 2017 No 2) was greater than 1.</p> <p>This does not include hereditaments that were not eligible for percentage SBRR relief but were eligible for the Small Business rate Multiplier.</p> <p>Hereditaments which on the scheme eligibility date were eligible for relief under the rural rate relief scheme. These are hereditaments to which: Section 43 (6B) of the Local Government Finance Act 1988 (rural rate relief) applies.</p>	
EXCLUSIONS	<ol style="list-style-type: none"> 1. Hereditaments occupied for personal uses. Examples of where there may be personal use include private stables and loose boxes, beach huts and moorings. 2. Car parks and parking spaces. 3. Hereditaments with a rateable value of over £51,000. <p>In line with the restrictions in the Expanded Retail Discount, billing authorities may not award the grant to themselves, a precepting authority, or a functional body, within the meaning of the Greater London Authority Act 1999.</p> <p>Only one grant may be awarded per hereditament.</p>	
GRANT RECIPIENT	<p>The person who according to the billing authority's records was the ratepayer in respect of the hereditament on the scheme eligibility date. Where the local authority has reason to believe that the information that they hold about the ratepayer on the scheme eligibility date is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. Local authorities should make clear to recipients that the grant is for the ratepayer and may be liable for recovery if the recipient was not the ratepayer on the eligible day. Landlord and management agents are urged to support local government in quickly identifying the correct ratepayer</p>	
COUNTER FRAUD MEASURES	<p>Any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back.</p>	
GRANTS PER BUSINESS	1 per hereditament	1 per hereditament
RATING LIST CHANGES	<p>Any changes to the rating list (rateable value or to the hereditament) after the scheme eligibility date including changes which have been backdated to this date should be ignored for the purposes of eligibility. Local authorities are not required to adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the scheme eligibility date.</p>	

RATING LIST CHANGES EXCEPTIONS	In cases where it was factually clear to the local authority on the scheme eligibility date that the rating list was inaccurate on that date, local authorities may withhold the grant and/or award the grant based on their view of who would have been entitled to the grant had the list been accurate. This is entirely at the discretion of the local authority and only intended to prevent manifest errors. Where the local authority chooses to use this discretion then landlords and managing agents are urged to support the local authority in identifying quickly the correct ratepayers.
POST EVENT ASSURANCE	Post payment, the Government Grants Management Function and Counter Fraud Function will support LAs to carry out post event assurance work to identify high risk payments.
MONITORING & REPORTING	Local authorities to retain records of individual payment, as part of their usual processes. Local authorities to provide aggregate weekly reports on a) numbers of businesses eligible per scheme, b) number of payments being processed and value per scheme and c) number of actual payments and value per scheme.

Annex B – Data Collection

Set out below are the minimum data fields local authorities should collect in order to complete effective post award assurance on grant payments (and in some cases will be needed to make awards).

Field	Data Format	Comments
Information Required Upon Application		
Eligibility	Character	Small Business Rate Relief Recipient Rural Rate Relief Recipient Expanded Retail Discount Scheme Recipient
Grant Awarded £	Character	Amount awarded
Date Awarded	Date	
Business Rates account reference	Character	This should be unique
VAT Registration Number		As registered with HMRC
Company Number		As registered with Companies House
Business Name	Character	As registered with Companies House
Title of Applicant	Character	Liable person
Surname of Applicant	Character	Liable person
Forename of Applicant	Character	Liable person

Middle name or middle initial of Applicant	Character	Liable person
Date of birth of Ratepayer	Date	This data is not necessarily collected but should be provided if it is
Method of payment	Character	e.g. BACS, Cheque
Bank Sort Code	Character	
Bank Account Number	Character	
Business Unique property reference number (UPRN)	Character	Each UPRN should be unique.
Business Address 1	Character	
Business Address 2	Character	
Business Address 3	Character	
Business Address 4	Character	
Business Postcode	Character	
Information Required From Local Authority Business Rates System		
Business Rates account reference	Character	This should be unique
Business Name	Character	As registered with Companies House
Title of Ratepayer	Character	
Surname of Ratepayer	Character	
Forename of Ratepayer	Character	
Middle name (initial) of Ratepayer	Character	
Date of birth of Ratepayer	Date	
Small Business Relief	Character	Enter 'S' or 'Small Business' where small business rate relief is in place
Small Business rate Multiplier	Character	Enter a flag where eligible for Small Business Rate Multiplier
Annual value of Small Business Relief	Character	This should be the annual value of the relief awarded
SBR Relief start date	Date	Where applicable. If no relief is applied then the record should still be submitted
SBR Relief expiry date	Date	Where applicable. If no relief is applied then the record should still be submitted
Rural Relief Flag	Character	Enter 'R' or 'Rural' where charitable rate relief is in place
Annual value of Rural Relief	Character	This should be the annual value of the relief awarded

Rural Relief start date	Date	Where applicable. If no relief is applied then the record should still be submitted
Rural Relief expiry date	Date	Where applicable. If no relief is applied then the record should still be submitted
Expanded Retail Discount Scheme	Character	Enter 'R' or 'Rural' where charitable rate relief is in place
Annual value of Expanded Retail Discount	Character	This should be the annual value of the relief awarded
Expanded Retail Discount start date	Date	Where applicable. If no relief is applied then the record should still be submitted
Expanded Retail Discount expiry date	Date	Where applicable. If no relief is applied then the record should still be submitted
Billing address 1	Character	If applicable. This could be called a 'forwarding address' on your system.
Billing address 2	Character	
Billing address 3	Character	
Billing address 4	Character	
Billing address postcode	Character	
Bank Sort Code	Character	
Bank Account Number	Character	
Rateable value	Character	