



Department for
Business, Energy
& Industrial Strategy

Leaders of English Local Authorities

By email

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Dear Local Authority Leader,

Grant support to small businesses and retail, hospitality and leisure businesses in England

Following the Budget on 11 March and the Chancellor's statement on 17 March, I wanted to set out some detail on the two grant funding schemes that we are asking local authorities in England to administer in order to support recipients of the grants. These schemes are two important elements in our wider support to the economy as we collectively manage the impacts of Covid-19.

For both schemes, we have developed guidance, which is attached. This guidance has been produced with HM Treasury, MHCLG and a group of local government officers to be clear, simple and provide all Local Authorities with the confidence to administer the scheme.

State Aid rules will apply to these schemes.

We recognise that Local Authorities administering the schemes are eligible for New Burdens funding. We will carry out an assessment and provide this funding. The Government's priority is to issue you with clear scheme guidance and to calculate the funding allocations for each Local Authority in respect of both schemes.

Small Business Grants Fund

Originally announced at Budget, as a £3,000 grant per eligible business, this has subsequently been increased to a £10,000 grant per eligible business.

BEIS will provide the Local Authorities that will manage this scheme (business rates billing authorities) with a S.31 grant payment on or before 1 April 2020 to cover the costs of providing grants to eligible businesses.

Businesses in scope for grants will be those with a rateable value of £15,000 or less and thus eligible for relief under the Small Business Rates Relief scheme (full relief and tapered relief) or the Rural Rate Relief Scheme.

We estimate that this will apply to some 730,000 businesses across England.

Retail, Hospitality and Leisure Business Grants Fund

Announced on the 17 March, this Fund is intended to support businesses across England in sectors that we know are being profoundly impacted by Covid-19 and which are crucial to local economies.

Businesses in scope for grants will be those that are eligible for a discount under the Expanded Retail Discount scheme with a rateable value below £51,000. Our intention is that BEIS provides the Local Authorities that will manage the scheme locally (business rates billing authorities) with a S.31 grant payment on or before 1 April 2020 to cover the costs of providing grants to eligible businesses.

Grants will be provided in respect of each property (hereditament); therefore businesses with multiple outlets would receive more than one grant and may receive grants from separate Local Authorities.

There will be two levels of grants:

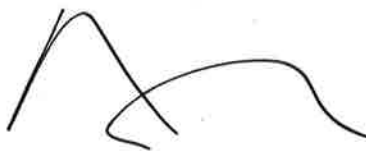
£10,000 for properties with a rateable value of £15,000 or less;
£25,000 for properties with a rateable value of more than £15,000 but less than £51,000.

We urgently need to support businesses and the detailed guidance being provided is intended to ensure that all Local Authorities can act immediately to support them – and by extension support local economies.

Local Authorities should contact eligible businesses this week in order to collect any outstanding details for payment and we expect grant payments to be made as soon after 1st April as possible.

I know that you are committed to making grant payments at pace and I very much welcome your support.

Yours sincerely,



THE RT HON ALOK SHARMA MP
Secretary of State for Business, Energy & Industrial Strategy