



Department for
Business, Energy
& Industrial Strategy

APPENDIX 3

Grant Funding Schemes

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

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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 and the Retail, Hospitality and Leisure Grant Fund. This does not replace existing guidance.
3. Local Authority enquiries on this measure should be addressed to businessgrantfunds@beis.gov.uk. Businesses seeking information should refer to the Government's business support website: <https://www.businesssupport.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 in Financial Year 2020-2021, 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, in line with the following guidance and the grant offer letter sent to LAs, 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.
10. This grant scheme will offer a lifeline to businesses who are struggling to survive due to the corona virus shutdown. Local Authorities should make payments as quickly as possible to support struggling businesses.

How much funding will be provided to businesses?

11. Under the Small Business Grant Fund (SBGF) all businesses in England in receipt of either Small Business Rates Relief (SBRR) or 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 16-23.
12. Under the Retail, Hospitality and Leisure Grant (RHLG), businesses in England that would have been in receipt of the Expanded Retail Discount (which covers retail, hospitality and leisure) on 11 March with a rateable value of less than £51,000 will be eligible for the following cash grants per property.
13. Eligible businesses in these sectors with a property that has a rateable value of up to and including £15,000 will receive a grant of £10,000, in line with the eligibility criteria as set out in paragraphs 24-31.
14. 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 24-31.
15. 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

16. 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).
17. 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.
18. Hereditaments that were not eligible for percentage SBRR relief (including those eligible for the Small Business Rate Multiplier) are excluded.
19. 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.

20. Eligible recipients will be entitled to receive one grant per hereditament from the earlier of the date payment of the grant by the Local Authority or 1st April 2020.

Exclusions to Small Business Grant Fund

21. Hereditaments occupied for personal uses. Examples of where there may be personal use include private stables and loose boxes, beach huts and moorings.
22. Car parks and parking spaces.
23. 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

24. 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. Charities which would otherwise meet this criteria but whose bill for 11 March had been reduced to nil by a local discretionary award should still be considered to be eligible for the RHL grant.
25. Eligible recipients will be entitled to receive one grant per hereditament from the earlier of the date of payment of the grant by the Local Authority or 1st April 2020.

Exclusions to RHLG

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

Who will receive this funding?

32. The person who according to the billing authority's records was the ratepayer in respect of the hereditament on the 11 March 2020.

33. 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.
34. The Local Authority must call or write to the business, stating that by accepting the grant payment, the business confirms that they are eligible for the grant schemes. This includes where Local Authorities already have bank details for businesses, and are in a position to send out funding immediately, or where the Local Authority is sending a cheque to a business.
35. Landlords and management agents are urged to support local government in quickly identifying the correct ratepayer.

Managing the risk of fraud

36. 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, as may any grants paid in error
37. 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. Alongside other checks conducted by local authorities, the tool can help with pre-payment and post payment assurance. We also want local authorities to work with us and each other in identifying and sharing good practice, including protecting eligible businesses which may be targeted by fraudsters pretending to be central or local government or acting on their behalf.

Rating List Changes

38. 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.
39. 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

40. 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.
41. This is entirely at the discretion of the Local Authority and only intended to prevent manifest errors.

42. 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

43. 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.

Monitoring and Reporting Requirements

44. There will not be a mandatory application process for this scheme. However, Local Authorities must retain necessary data provided and BEIS will undertake regular data collection exercises. 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 per scheme, and
 - c) number of actual payments per scheme.
45. Annex B contains information on Post Payment Monitoring requirements.

State Aid

46. 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. The Local Authority 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.
47. Payments made under SGBF can be provided under the existing De Minimis rules, provided doing so does not exceed the €200,000 threshold. Payments made under the RHLGF (or SGBF where the De Minimis threshold has been reached) should be paid under the Covid-19 Temporary Framework for UK Authorities.
48. Annex C of this guidance contains two sample declarations which local authorities may wish to use with either payments under the De Minimis rules or under the Covid-19 Temporary Framework for UK Authorities. Where Local Authorities have further questions about De Minimis or other aspects of State aid law, they should seek advice from their legal department in the first instance.

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 and including £15,000)	2B (RATEABLE VALUE £15,000.01 – 50,999)
PER BUSINESS GRANT	£10,000	£10,000	£25,000
FUNDING GEOGRAPHY	ENGLAND ONLY BUSINESS RATE BILLING AUTHORITIES		
STATE AID	State aid applies SBGF can be paid as De Minimis aid €200,000 limit over 3 years (or under the Temporary Framework where De Minimis threshold exceeded). RHLGF can be paid under the UK Covid 19 Temporary Framework for UK Authorities subject to: a) €800,000 limit; and b) recipient confirming they were not an undertaking in difficulty (within the definition of Article 2(18) of the General Block Exemption Regulation) on 31 December 2019.		
PAYMENTS TO LOCAL AUTHORITIES	FUNDING TO LOCAL AUTHORITIES BY S.31 GRANT ON OR AROUND 1 ST APRIL 2020 GRANTS TO BE DETERMINED IN PROPORTION TO NUMBER OF ELIGIBLE HEREDITAMENTS		
ENTITLEMENT DATE OF ELIGIBLE RECEIPIENTS	Earlier of the date of payment of the grant by the Local Authority or 1 st April 2020		
ELIGIBILITY DATE OF SCHEME	11 March 2020		
ELIGIBILITY CRITERIA	Hereditaments which 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). These are hereditaments to which: 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 (Relies, thresholds and	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>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 £51,000 or over. <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 unique 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>	

<p>RATING LIST CHANGES EXCEPTIONS</p>	<p>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.</p> <p>This is entirely at the discretion of the local authority and only intended to prevent manifest errors.</p> <p>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.</p>
<p>POST EVENT ASSURANCE</p>	<p>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.</p>
<p>MONITORING & REPORTING</p>	<p>Local authorities to retain records of individual payment, as part of their usual processes.</p> <p>Local authorities to provide weekly reports on a) numbers of businesses eligible per scheme, b) number of actual payments and value per scheme.</p>

Annex B – Post-Payment Reporting

Background

1. Local Authorities will be required to report weekly to the department on the following funds:
 - Small Business Grant Fund
 - Retail, Leisure & Hospitality Grant Scheme 2a
 - Retail, Leisure & Hospitality Grant Scheme 2b
2. Reports will cover:
 - Numbers of businesses eligible per scheme
 - Number of actual payments
 - A RAG rating for delivery confidence
 - Issues encountered in implementing the scheme to allow BEIS to support development of solutions with local authorities
3. The return will be completed using the DELTA Reporting system.

Process

4. Local Authorities are required to complete the weekly return by midday Monday, reporting on the previous Monday – Sunday period.
5. Each weekly report will only cover grants provided by Local Authorities to eligible business during the period of the previous week as per paragraph 4. The Cities and Local Growth Unit will consolidate the reports to create an accumulative total and monitor progress against the initial allocation of funding per Local Authority.

Definitions

Total number of eligible businesses	This reflects the number of eligible businesses identified by the Local Authorities to receive funding under each scheme. This figure will be used to determine whether the initial SBGF & RHLGF allocation to the Local Authorities is sufficient to meet the demands of the two schemes.
Total number of grants provided under each scheme	Number of grants paid (in that week) to the eligible businesses identified by the Local Authorities.
Delivery RAG	Local Authorities should rate their delivery confidence using the follow parameters:

	<p>RED Substantial issues in delivering grants to all businesses in a timely manner (50% or more grants at risk of non-delivery or late delivery)</p> <p>AMBER Significant issues in delivering grants to all businesses in a timely manner (25% or more grants at risk of non-delivery or late delivery)</p> <p>GREEN On track to provide all businesses with grants in a timely manner (grants at risks less than 1%)</p>
<p>Expected Date of Completing all payments to Eligible Businesses</p>	<p>Date at which the Local Authorities believes it will have identified and provided grants to all eligible businesses.</p>
<p>Comments</p>	<p>Highlight in this box issues that Local Authorities are encountering while implementing the Schemes.</p>

Annex C – State Aid: Sample Paragraphs that could be included in letters to grant recipients

Template to send to beneficiaries of aid awarded based on the UK COVID-19 Temporary Framework¹

Dear [Name of Aid Recipient]

Confirmation of State aid received under the Covid-19 Temporary Framework for UK Authorities scheme

Following the outbreak of the Coronavirus, the European Commission has approved schemes to aid businesses affected by the Coronavirus outbreak on the basis of their Temporary Framework, including the COVID-19 Temporary Framework scheme for the UK.

The maximum level of aid that a company may receive is €800 000 (€120 000 per undertaking active in the fishery and aquaculture sector or €100 000 per undertaking active in the primary production of agricultural products). This is across all UK schemes under the terms of the European Commission's Temporary Framework. The Euro equivalent of the Sterling aid amount is calculated using the Commission exchange rate² applicable on the date the aid is offered.

Any aid provided under this scheme will be relevant if you wish to apply, or have applied, for any other aid granted on the basis of the European Commission's Temporary Framework. You will need to declare this amount to any other aid awarding body who requests information from you on how much aid you have received. You must retain this letter for four years after the conclusion of the UK's transition from the EU and produce it on any request from the UK public authorities or the European Commission.

Aid may be granted to undertakings that were not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation³) on 31 December 2019, but that faced difficulties or entered in difficulty thereafter as a result of the COVID-19 outbreak.⁴

This aid is in addition any aid that you may have received under the De Minimis regulation allowing aid of up to €200,000 to any one organisation over a three fiscal year period (i.e. your current fiscal year and previous two fiscal years), and any other approved aid you have received under other State aid rules, such as aid granted under the General Block Exemption Regulation.

¹ Approval reference.

² https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710>

⁴ If you are an undertaking in difficulty within the meaning of Article 2(18) of the General Block Exemption Regulation you may still be entitled to de minimis aid if you have received less than €200,000 in de minimis aid in the last three years. You should contact us if you consider that you may qualify for de minimis aid on this basis.

Confirmation of State aid received under x Scheme, and Undertaking in Difficulty status

Please sign the attached statement confirming your eligibility, in principle, for aid.

I confirm that I have received the following aid under measures approved within the European Commission’s Temporary Framework between March 2020 and December 2020.

I confirm that my undertaking was not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation) on 31 December 2019.

Body providing the assistance/ aid	Value of assistance (in €)	Date of assistance

DECLARATION

Company	
Company Representative Name	
Signature	
Date	

Template to send to beneficiaries of aid awarded based on De Minimis Rules

Dear []

NON-DOMESTIC RATES ACCOUNT NUMBER: _____

The value of the grant payment to be provided to [name of undertaking] by [name of local authority] is £ [] (Euros []).

This award shall comply with the EU law on State aid on the basis that, including this award, [name of undertaking] shall not receive more than €200,000 in total of de minimis aid within the current financial year or the previous two financial years).

The de minimis Regulations 1407/2013 (as published in the Official Journal of the European Union L352 24.12.2013) can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

Amount of <i>de minimis</i> aid	Date of aid	Organisation providing aid	Nature of aid

I confirm that:

1) I am authorised to sign on behalf of _____[name of undertaking];
and

2) _____[name of undertaking] shall not exceed its De minimis
threshold by accepting this grant payment.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

I confirm that I wish to accept the grant payment in relation to the above premises.

DATE:

Refusal of Grant form

Name and address of premises	Non-domestic rates account number	Amount of Grant Funding

I confirm that I wish to refuse grant in relation to the above premises.

I confirm that I am authorised to sign on behalf of _____ [name of undertaking].

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

<u>Name and address of premises</u>	<u>Non-domestic rates account number</u>