

Business Rates Grants: Frequently Asked Questions

On Tuesday 24 March the Government set out details of eligibility and delivery of the Small Business Grants Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RHLGF). These business grant schemes were announced at Budget on 11 March 2020, and the level of funding was increased in a statement from the Chancellor on 17 March 2020.

Frequently Asked Questions

1. What are the Small Business Grants Fund, and the Retail, Hospitality and Leisure Grant Fund?

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. This support will take the form of two grant funding schemes, the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund.

2. Who will receive this funding?

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

3. How do I apply for this funding?

Details are yet to be finalised. However, an application form or similar will be required that is likely to include information such as company name, Companies House registration number, and VAT number, for example. In addition, other information including bank details for payment, confirmation of the ratepayer, and confirmation of correct business entity (sole trader, limited company etc.) may also be required. We will write to all businesses that we think meet the criteria shortly. Please do not supply any information yet as it may slow down your application.

4. What happens if the Local Authority has reason to believe the information that they hold about the ratepayer on the 11 March 2020 is inaccurate?

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 will make it 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.

5. What happens if a business is caught falsifying their records to gain additional grant money?

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.

6. Do State Aid rules apply?

Yes. Although the United Kingdom left the EU on 31 January 2020, under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission. A new €800,000 (previously €200,000) limit is applicable to companies receiving special grant schemes to address urgent cash flow needs arising from COVID-19.

7. What happens if there are changes to the rating list (rateable value or to the hereditament) after 11 March 2020?

Any changes to the rating list (rateable value or to the hereditament) after 11 March 2020 including changes which have been backdated to this date will 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 11 March 2020.

8. When will grant payments be made?

We aim to make grant payments as soon as possible after receiving the funding from Central Government. We do not know when this will be but it is expected in early April. Where possible we will start to collect the required information ahead of receiving the money so we can pay out as soon as possible.

The Small Business Grant Fund

9. How much funding will be provided to businesses under the Small Business Grant Fund (SBGF)?

Under the 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.

10. What are the eligibility criteria for the SBGF?

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).

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, SI2017/102) was greater than 1.

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

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.

Eligible recipients will receive one grant per hereditament.

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

Car parks and parking spaces are excluded.

For the avoidance of doubt, businesses which as of the 11 March were in liquidation or were dissolved will not be eligible.

The Retail, Hospitality and Leisure Grant

11. How much funding will be provided to businesses under the Retail, Hospitality and Leisure Grant (RHLG)?

Under the 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:

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 following eligibility criteria:

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.

Eligible recipients will receive one grant per hereditament.

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

Car parks and parking spaces are excluded.

For the avoidance of doubt, businesses which as of the 11 March were in liquidation or were dissolved will not be eligible.

Hereditaments with a rateable value of over £51,000 are excluded.

Only one grant may be awarded per hereditament.

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 following eligibility criteria:

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.

Eligible recipients will receive one grant per hereditament.

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

Car parks and parking spaces are excluded.

For the avoidance of doubt, businesses which as of the 11 March were in liquidation or were dissolved will not be eligible.

Hereditaments with a rateable value of over £51,000 are excluded.

Only one grant may be awarded per hereditament.

12. What businesses are not eligible for this scheme?

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.

13. Do charitable organisations qualify for the expanded retail relief and associated grants?

If you are a charitable organisation whose business is within the retail, hospitality and leisure sector you could be eligible for the retail, leisure and hospitality relief as well as being eligible for a grant payment of either £10,000 or £25,000 depending on the rateable value of the premises you are in occupation of.

However if the liable party is in receipt of the 80% mandatory charitable relief and also the full 20% discretionary top up relief therefore having rates liability for the 2020/2021 financial year, they do not require the retail relief and therefore will **not** be eligible for a grant payment.

If the liable party is in receipt of the 80% mandatory charitable relief only or also in receipt of a discretionary top up relief of less than 20% then they will qualify for the retail relief and therefore will also be eligible for the grant payment as they would still have had a business rates charge to pay for the 2020/2021 financial year, prior to the expanded retail relief being put in place.