

Guidance Note: Covid-19 Business Rates Grants in the Humber

£10,000 Small Business Grant Fund (SBGF)

£25,000 Retail, Hospitality & Leisure Grant Fund (RHLG)

<p><i>Any properties falling within both the SBGF and RHLGF eligibility will be awarded one 10k grant. Businesses cannot be awarded both grants on the same property.</i></p>			
<p><i>The information, guidance and weblinks in this document were correct at the time of publication on the version control date</i></p>	<p><u>£10k Small Business Grants (SBGF)</u></p>	<p><u>£25k Retail, Hospitality & Leisure Grants (RHLG)</u></p>	
		<p>A) Premises with rateable Value <u>up to</u> £15,000</p>	<p>B) Premises with rateable Value <u>between</u> £15,001 and £50,999.99 C)</p>
<p>Grant Value per Business</p>	<p>£10,000</p>	<p>£10,000</p>	<p>£25,000</p>
<p>Administered by</p>	<p>Local Authority Business Rates Departments</p>		
<p>Occupation of premises deadline date <u>to be eligible for the grants</u></p>	<p><u>Wednesday 11 March 2020</u></p>		

<p>Eligibility</p>	<ul style="list-style-type: none"> • Commercial premises which were on the eligible date (<i>11 March 2020</i>) were eligible for relief under the business rate Small Business Rate Relief Scheme (including those in the £12k - £15k rateable value taper). • This does not include commercial premises that were not eligible for “percentage” SBRR relief but were eligible for the Small Business rate Multiplier. • Commercial premises which on the scheme eligibility date (<i>11 March 2020</i>) were eligible for relief under the rural rate relief scheme. 	<ul style="list-style-type: none"> • Commercial premises which on the scheme eligible date (<i>11 March 2020</i>) had a rateable value of less than £51,000 and would have been eligible for a discount under the Expanded Retail Discount scheme (the 100% business rates holiday) had that scheme been in force for that date. • Charities that would otherwise meet the criteria for this grant but whose bill for 11 March had been reduced to nil by a local discretionary award should still be considered eligible for this grant. • Commercial premises eligible for this grant can be found in the table below.
<p>Are there any state aid criteria?</p>	<p style="text-align: center;">State Aid Limits apply</p> <p style="text-align: center;">SBGF operates under the De Minimis Aid Exemption Scheme (businesses have a €200,000 limit of state aid that they can receive under De Minimis within a 3 year period)</p>	

	<p>RHLGF operates under the UK Covid-19 Temporary Framework Approved Scheme (businesses have a €800,000 limit of state aid that they can receive under this temporary approved scheme)</p> <p>Businesses will need to declare any state aid that they believe they have received in the last 3 financial years when completing the grant registration form with their local authority.</p>
<p>What business premises are excluded?</p>	<ol style="list-style-type: none"> 1) Businesses that are eligible for the Small Business Grant Fund (SBGF) will not be eligible for the Retail, Hospitality and Leisure Grant (RHLG) 2) Commercial premises occupied for personal uses. Examples of where there may be personal use include private stables and loose boxes, beach huts and moorings. 3) Car parks and parking spaces. 4) Charities receiving Charitable Rate Relief are not eligible for the SBGF (but may be eligible for the RHLGF subject to criteria.) 5) Commercial premises with a rateable value of over £51,000. 6) Businesses which at 11 March 2020 were in liquidation or were dissolved. 7) Businesses that are not ratepayers in the business rates system (i.e. business that trade from a residential address). <p><u>N.B</u> Only one grant may be awarded per commercial premises.</p>

<p>Who Receives the Grant?</p>	<ul style="list-style-type: none"> • The person who according to the billing authority’s records was the ratepayer in respect of the commercial premises on the scheme eligibility date (11 March 2020) • Where the local authority has reason to believe that the information that they hold about the ratepayer on the scheme eligibility date (11 March 2020) is inaccurate, they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. • Local authorities are making 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. • Landlord and management agents are being urged to support local government in quickly identifying the correct ratepayer 	
<p>Counter Fraud Measures</p>	<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>	
<p>How many grants per business?</p>	<p style="text-align: center;"><u>SBGF</u></p> <p style="text-align: center;">1 grant only per eligible business</p>	<p style="text-align: center;"><u>RHLGF</u></p> <p style="text-align: center;">1 grant per each eligible commercial premises that a business operates (e.g. a hairdressing business that operates three separate salons would get a grant for each premises – but each premises is subject to the eligibility criteria for the scheme)</p>

<p>What about changes made to the ratings list since 11 March 2020?</p>	<p>Any changes to the rating list (i.e. to the rateable value or to the commercial premises) after the scheme eligibility date (11 March 2020) - 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 (11 March 2020)</p>
<p>Are any exceptions available?</p>	<p>In cases where it was factually clear to the local authority on the scheme eligibility date (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. 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 being urged to support the local authority in identifying quickly the correct ratepayers.</p>
<p>How do I get my grant?</p>	<p><u>Businesses that pay business rates to Hull City Council (HCC)</u></p> <ul style="list-style-type: none"> • HCC are writing to all businesses that they believe will be eligible for the grants; businesses should expect letters in early April 2020. The letter has to be sent to the address that the council already holds on file for the business which will be the address that the last business rates bill was posted to. • HCC are currently creating an online form which businesses who believe they are eligible can complete to enable cross-checks for eligibility. HCC will advertise and promote this form and how to access it once available. In the meantime businesses should check the HCC business rates pages for updates here. Businesses will need to state their Local Authority Reference number that appears

	<p>on this letter, or on any previous business rates bill for the premises in question.</p> <ul style="list-style-type: none"> • HCC will process grant payments as quickly as possible after receiving funds from central government, which are currently expected by Wednesday 01 April 2020. The grant will be paid directly into the bank account of eligible businesses. HCC estimate that over 4,000 businesses are eligible for these grants and so they will aim to process payment as quickly and accurately as possible. <p><u>Businesses that pay business rates to East Riding of Yorkshire Council (ERYC)</u></p> <ul style="list-style-type: none"> • ERYC are asking all business to consult the business rate grants webpage – this can be accessed here. <p><u>Businesses that pay business rates to North Lincolnshire Council (NLC)</u></p> <ul style="list-style-type: none"> • NLC are asking businesses who believe they are eligible to complete a grant information form to enable cross-checks for eligibility. This can be accessed here. • Businesses that complete the online form and <u>are eligible</u> will not be contacted, but will have the grant paid direct to their bank account • Business that complete the online form and <u>are not eligible</u> will be contacted, and will be given the reason why they are not eligible • NLC will process grant payments as quickly as possible after receiving funds from central government. NLC are aiming to process grants and make payment on or before Friday 03 April 2020.
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	<p><u>Business that pay business rates to North East Lincolnshire Council (NELC)</u></p> <ul style="list-style-type: none"> • NELC are asking businesses who believe they are eligible to complete a grant registration form to enable cross-checks for eligibility. This can be accessed here. • Businesses that complete the online form and <u>are eligible</u> will not be contacted, but will have the grant paid direct to their bank account • Business that complete the online form and <u>are not eligible</u> will be contacted, and will be given the reason why they are not eligible • NELC will process grant payments as quickly as possible after receiving funds from central government from Wednesday 01 April 2020 onwards.
<p><u>FAQs</u></p>	<p><u>Q) I think my business is eligible to receive the grant and have completed my local council's online form. When will we receive the grant into our bank account?</u></p> <p><u>A)</u> All four Humber councils have stated that they are waiting for the funding to be made available from central government before processing grant payments, which is currently expected by Wednesday 01 April. All four councils have pledged to process and make grant payments into eligible business's bank accounts as soon as possible. However, with each council having thousands of eligible businesses in their geographies, it may take a number of days for the payment to be made, so they are asking all businesses to be patient – they are trying to move on this as quickly as possible!</p> <p><u>Q) I've read that my local council are writing to businesses at their business address to inform them whether they're eligible for a grant. I've closed my business and locked-up the premises and the letter won't be able to be delivered, what do I do?</u></p>

A) Don't worry. All four Humber councils have advised that they are setting up online forms for businesses to fill-in, that think they are eligible for the grants. Check the latest developments on this with your council in the 'How Do I Get My Grant Section' above.

Q) I haven't had a letter for Small Business Rate Relief grant; does that mean I will not get a grant?

A) No, not necessarily. Whilst some councils in the Humber region have written to eligible businesses, others have not done so, as they have realised that many businesses will now be closed and business premises locked up. Just because a business down the road has receive a letter and you have not does not mean that you are not eligible for a grant – they might have a different council.

All four Humber Councils are setting up an online form that all businesses that think they are eligible for the grant should complete. Please see the 'How do I get my grant?' Section above and read the specific guidance from the council that you pay rates to.

Q) What can I use the grant money for?

A) To help meet ongoing business costs. The government has stated that the grants may be used to help meet ongoing businesses costs, which includes costs such as rent, wage bills, utilities, insurance and stock costs.

Q) I run a Retail, Leisure or Hospitality business, and also qualify for Small Business Rate Relief. Will I get two grants – the small business grant and the retail, leisure and hospitality grant?

A) No. Businesses will only receive the specific grant they are eligible for, not both. However, businesses may receive one grant per eligible commercial premises.

Q) Do the grants have to be paid back, and are they taxable?

A) The grant does not have to be paid, but they are taxable. The government has said that grants will only need to be repaid if any business is caught falsifying their records to gain additional grant money. Businesses will also face prosecution if they are found to have falsified their records and fraudulently claimed the grant.

The government has also advised that:

“The default position is that these grants would be liable for tax, as are the business costs this grant is supporting”

Q) I run a retail business but I don't know if my property's rateable value is less than the £50,999.99 threshold to get the retail, leisure and hospitality grant. How can I find out?

A) You can check your commercial premises' rateable value using the Valuation Office Agency's [here](#). Enter the postcode or address of your business premises and the current rateable value will be shown for your premises.

Q) I own a small accountancy firm that trades on the high street. Are we eligible for a grant?

A) Possibly – it depends on the rateable value of your business premises. If your business currently receives small business rate relief (SBRR) or rural rate relief, then you will likely receive the £10,000 small business grant. However, current government guidance for the Retail, Leisure and Hospitality grant fund (should you otherwise meet the eligibility criteria for that grant) advises that businesses in the “professional services” industry – which includes accountancy firms – are not eligible for that grant.

Q) I operate a charity shop, but we receive 100% business rates relief as part of our local council's discretionary rate relief for charities. Are we still eligible for the grant?

A) Possibly. The latest government guidance has advised that, for the Retail, Hospitality and Leisure grants, that:

“Charities which would otherwise meet this criteria but whose bill for 11 March had been reduced to nil by local discretionary award should still be considered to be eligible for the RHL grant”.

Therefore, if you are a charity that had 100% rates relief as of 11 March 2020 and that also meets the criteria for the RHL grants (i.e. you operate from a premises listed in Table A below) then you should be eligible for a RHL grant of either £10,000 or £25,000 subject to your premises rateable value.

Q) I run a hairdressing salon and I rent the back room out to a massage therapist. Who will receive the grant – will we both get one?

A) It will depend. Only the person who according to the billing authority's records was *the ratepayer in respect of the commercial premises on the scheme eligibility date (11 March 2020)* will get the grant. If your premises only receives one business rates bill, then only one of you will get the grant, and that will be the person and business that is named as the rate payer on local council records as of Wednesday 11 March 2020.

Q) I rent commercial premises that I think is eligible for small business rate relief but I and my business are not the ratepayer. Can I still get the grant?

A) Possibly. Government guidance states that:

“Only businesses with their own assessment for business rates and eligible for SBRR, rural or Expanded Retail Discount with a rateable value below £51,000 will be eligible for the grant. Businesses which are not ratepayers are not eligible.

We understand for some shared space/service offices, individual users do have their own rating assessment and may be eligible. In these cases we encourage landlords to support local government in ensuring the grant reaches eligible ratepayers”.

It is therefore advisable to speak to your landlord in the first instance to clarify who the ratepayer was on 11 March 2020 and you should question whether this was accurate.

Q) I signed the lease on my business premises on Thursday 12 March 2020. Can I still get the grant?

A) No. Only businesses that operated from commercial premises that appear on the business rates register on Wednesday 11 March 2020 are eligible for this grant.

Q) I run my business from my home. Am I eligible for a grant?

A) No. Only businesses that operated from commercial premises that appear on the business rates register on Wednesday 11 March 2020 are eligible for this grant.

Q) I run a B&B but we pay domestic rates (council tax) not business rates. Can we still get a grant?

A) No. Only commercial premises on the business rating list are eligible.

Q) I own a wholesale business that supplier food and drink to the catering and hospitality industry, Our premises rateable value is above the £15,000 small business rate relief threshold so we can't get the £10,000 small business grant. Are we eligible for the £25,000 retail, leisure and hospitality grant instead?

A) No. Government guidance does not currently list wholesalers and suppliers to the retail, leisure and hospitality industry as eligible to receive the £25,000 grant. Please see the table below for a full list of premises that are currently eligible to receive this grant. However, there is possible scope for the government to alter the eligibility criteria for this grant scheme in the future, but for the moment nothing has been announced.

Q) I operate a leisure business an Enterprise Zone and therefore do not pay business rates – can I still access the grants?

A) No. Government guidance states that if a business is not registered for business rates – including those in Enterprise Zones – then they cannot get funding through these schemes.

Q) I've been approached by someone offering to get me a grant in return for 15% commission on the grant. Should I do this?

A) No, it is not recommended. You do not need to 'apply' for the grant in the sense of having to complete a long and complex application form; you merely need provide your council with some specific and straightforward information via an online form – this will

	<p>not be complex or complicated to do – and the grant will be paid to you if you are eligible. Moreover, the grant will be paid direct to the bank account of eligible businesses anyway, and so it is difficult to see what value such a ‘broker’ would have by trying to help you get the grant. If in any doubt about this grant process, contact your local council. For general information and advice, contact the Growth Hub – details below – to speak to an advisor.</p> <p><u>Q) My business is eligible for the grant but I don’t want it – can I opt out?</u></p> <p><u>A) Yes</u> – businesses may decline the grant when offered by their local authority</p>
<p><u>Can I speak to someone about this?</u></p>	<p>To speak to an impartial business advisor in confidence, please email growth.hub@humberlep.org and one of the Growth Hub’s Business Advisors will call you back within 2 working days to discuss your enquiry.</p> <p>Whilst the Growth Hub is <u>not involved with the processing and awarding of these grants</u>, we are working closely with our local authority colleagues to ensure that accurate information and guidance about these grants is made available to local businesses as quickly as possible.</p> <p>A Growth Hub advisor will be able to talk you through the steps of accessing these grants and can also signpost you to other sources of additional information, advice, guidance and funding to help deal with the impacts of the Covid-19 on your business.</p>

A) - Table of Commercial Premises Eligible for Retail, Leisure & Hospitality Grant

Properties **that will benefit from the relief** will be occupied hereditaments that are wholly or mainly being used:

<u>Retail</u>	<u>Leisure</u>	<u>Hospitality</u>
<ul style="list-style-type: none"> - Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc.) - Charity shops - Opticians - Post offices - Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors) - Car/caravan show rooms - Second-hand car lots - Markets - Petrol stations - Garden centres - Art galleries (where art is for sale/hire) - Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc.) - Shoe repairs/key cutting - Travel agents - Ticket offices e.g. for theatre - Dry cleaners - Launderettes - PC/TV/domestic appliance repair - Funeral directors - Photo processing - Tool hire - Car hire 	<ul style="list-style-type: none"> - Sports grounds and clubs - Museums and art galleries - Nightclubs - Sport and leisure facilities - Stately homes and historic houses - Theatres - Tourist attractions - Gyms - Wellness Centres, spas, massage parlours - Casinos, gambling clubs and bingo halls - Public halls - Clubhouses, clubs and institutions 	<ul style="list-style-type: none"> - Hotels, Guest and Boarding Houses - Holiday homes - Caravan parks and sites

<ul style="list-style-type: none"> - Employment Agencies - Estate Agents and Letting Agents - Betting Shops - Restaurants - Takeaways - Sandwich shops - Coffee shops - Pubs - Bars - Cinemas - Live Music Venues 		
<p>The list below sets out the types of uses that the Government does not consider to be an eligible use for the purpose of this relief</p>		
<ul style="list-style-type: none"> - Financial services (e.g. banks, building societies, cash points, bureaux de change, short term loan providers) - Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors) - Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors) - Post office sorting offices - Any premises that is not reasonably accessible to visiting members of the public. 		
<p>Information taken from https://www.gov.uk/government/publications/business-rates-retail-discount-guidance</p>		