

Top-up to local business grant funds scheme

News story

A discretionary fund has been set up to accommodate certain small businesses previously outside the scope of the business grant funds scheme.



The Business Secretary Alok Sharma and Minister for Regional Growth and Local Government, Simon Clarke spoke to local authorities in England yesterday to set out that up to £617 million would be made available.

This is an additional 5% uplift to the £12.33 billion funding previously announced for the Small Business Grants Fund (SBGF) and the Retail, Hospitality and Leisure Grants Fund (RHLGF), so up to £617 million. We will confirm the exact amount for each local authority next week.

This additional fund is aimed at small businesses with ongoing fixed property-related costs. We are asking local authorities to prioritise businesses in shared spaces, regular market traders, small charity properties that would meet the criteria for Small Business Rates Relief, and bed and breakfasts that pay council tax rather than business rates. But local authorities may choose to make payments to other businesses based on local economic need. The allocation of funding will be at the discretion of local authorities.

Businesses must be small, under 50 employees, and they must also be able to demonstrate that they have seen a significant drop of income due to Coronavirus restriction measures.

There will be three levels of grant payments. The maximum will be £25,000. There will also be grants of £10,000. local authorities will have discretion to make payments of any amount under £10,000. It will be for councils to adapt this approach to local circumstances.

Further guidance for local authorities will be set out shortly.

As of 27 April, over £7.5 billion has been paid out to over 614,000 business

properties via the SBGF and RHLGF schemes. This is over 61% of the grant funding allocated to local authorities.

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