



Department
for Culture
Media & Sport

British Horseracing Grant Scheme 2015-16

Important Guidance for your Application

CONTENTS

	Section	Page
1.	Background to the Scheme	2
2.	What has the British Horseracing Grant Scheme funded previously?	3
3.	The 2015-16 British Horseracing Grant Scheme	3
4.	How to Apply and the Application Form	3
5.	How is my application assessed?	6
6.	The Application Process	8
7.	Successful Applications	9
8.	Unsuccessful Applications	9
9.	Contact Details	10
10.	State Aid Information	10
11.	VAT	12

1. Background to the Scheme

The British Horseracing Grant Scheme was created in March 2012 by British Horseracing and the Department of Culture, Media and Sport (“DCMS”) to provide important funding to worthwhile projects within the British Racing and Breeding industries (“Racing”) using the proceeds from the sale of the Tote.

In June 2011, after an open bidding process, the Government sold the Tote to Betfred bookmakers, with Racing to be provided with half of the net proceeds from the sale, in recognition of the important role which Racing played in the development of the Tote.

Two bodies were created to distribute Racing’s proceeds from the sale in the most effective and efficient manner.

- The *Racing Foundation* is a registered charity which provides grants to other charities for the advancement for the public benefit of any charitable purpose associated with the horseracing and thoroughbred breeding industry or with equine welfare. Details on The Racing Foundation can be found [here](#).
- The *British Horseracing Grant Scheme* is a grant scheme established by the Secretary of State for Culture, Media and Sport (“the Secretary of State”) to provide funds for predominantly non-charitable causes which will benefit the sport of horseracing, and its associated industries in Great Britain.

Following an open tendering process, the contract to administer the grant scheme on behalf of the Secretary of State for Culture, Media and Sport was awarded to the British Horseracing Authority (BHA). **It is the application process for this latter scheme which this document describes.**

All applications for grants under the British Horseracing Grant Scheme will be handled by a dedicated team at the British Horseracing Authority who will process your application, check it against the required criteria, and make a recommendation regarding your application to the Awards Committee. The Awards Committee is comprised of key figures from the Racing industry, and will make the final decision on which applications for funding from the Grant Scheme will be successful.

This is the final application process for funding through the British Horseracing Grant Scheme.

2. What has the British Horseracing Grant Scheme Funded Previously?

The British Horseracing Grant Scheme was first launched in August 2012 – and has since made over £3.2 million in grants towards worthwhile projects related to the British thoroughbred Racing and Breeding industries. These covered areas including:

- Marketing and Promotion
- Equine Welfare
- Recruitment, Welfare and Training
- Information and Technology
- Capital Investment

Full details of the projects which received funding from the British Horseracing Grant Scheme can be found on the webpage www.britishhorseracing.com/grant_scheme.

3. The 2015-16 British Horseracing Grant Scheme

For the 2015-16 Financial Year, the British Horseracing Grant Scheme has approximately **£250,000** of funding available for worthwhile projects either in, or related to, the British Thoroughbred Racing and Breeding industries.

The application process for the first round of the Scheme will close on Friday 16 October.

A second application round shall take place only if there are sufficient funds remaining for grant after the first round.

4. How to Apply and the Application Form

If you wish to apply to the Grant Scheme, then you can access the relevant application form at www.britishhorseracing.com/grant_scheme.

The application form cover sheet, which is available on the website, requires the following information:

- Your organisation's name, company number (if applicable) and contact details
- The name of the principal contact for your application
- A brief summary statement of what your application is for and how it will meet the grant scheme criteria
- The amount of grant required, duration which it is required for and how the grant would be phased if for more than 1 year
- The total value of the project and level of match funding

- An indication of which of the *Grant Scheme Criteria* you believe that your proposed project satisfies.
- An indication of which *State Aid Criteria*, in your opinion, your project qualifies for (details regarding which are included at the end of this document and the accompanying guidance). **Please note that this is advisory and does not require applicants to seek specific legal advice, as a thorough check of State Aid eligibility will be carried out by the Grant Scheme team**
- A declaration of your acceptance of the terms and conditions of the application process as outlined in this document, and that all of the information which you have provided is accurate

It is recommended that applicants draft their responses in the word document version of the form – before entering these in to the online application form when submitting their final application. We are unfortunately unable to receive paper applications unless exceptional circumstances apply.

The main body of the application itself is not a set form, but a written submission, **ideally of less than 10 pages in length**, that demonstrates how your project will benefit the Racing industry and satisfy the State Aid criteria. Your submission should include as a minimum the following information:

- Details of your organisation and its status (i.e. limited company / charity / individual) and whether you are part of a group of companies. This last part is important for understanding De Minimis calculations. Some potential applicants have already been advised by the Grant Scheme Administrator of their status in this respect. Further information on this can be found in Sections 5 and 10 of this guidance documentation.
 - Please note – If you are a charity, we may liaise with *The Racing Foundation* as part of the process of considering your application, but it will be treated in exactly the same manner as any non-charitable application to the British Horseracing Grant Scheme.
- Information on the key figures within the organisation that will play a significant role in the project, including a brief description as to why they have the necessary skills and experiences to deliver such a project.
- The specifics of the project or initiative for which the Grant Scheme funds are required. Please do not include generic information but only details specific to the project you are making the submission for.
- A detailed proposed timetable of the project, including the start date, the period of time and dates for which funding will be required and any milestones that you deem relevant.
- The overall amount of funds required from the Grant Scheme for the project and a percentage of the whole project budget that this would be and the source of matched funding. *Note – the maximum amount requested should not be more than 50% of the whole project budget.*

- Financial information to support your application. This should include a detailed cash flow with sufficient detail to understand what the funds are being used for. For example, overheads already incurred should not be allocated to the project and large generic items such as 'marketing' should be broken down to ensure they are easily understood. The Awards Committee wish to ensure that grants are being made for new projects and not just to subsidise existing activity.
- Details of plans, where applicable, to ensure continuity post grant funding. i.e. how will funds be generated after the grant period ends.
- Details of any previous applications to other similar funds and/or current funding from other sources e.g. partnership funding. This could have a significant impact upon your status regarding State Aid.
- Details of other pending funding applications related to this application i.e. HBLB, Racing Foundation.
- Any previous *De Minimis* aid received from other sources in the previous three years, as outlined below. You should have received notice in a letter that you were being provided with grant funds that were determined to be *De Minimis* State Aid. This documentation will be requested at a later stage.
- Details of how you will measure the success of the project. This should include details of any pilot studies undertaken.
- If the project is completely new, the preparatory work you have completed to assess that it is relevant and achievable.
- Details of any civil or criminal proceedings brought against your organisation or your directors over the past 5 years;
- Details of industry support for project

Extra information may be required to supplement your application after it has been submitted, in order to allow us to properly assess it. If this is required, a member of our team will contact you to request this.

All of the information provided in your submission should be declared as being accurate and truthful. Should it be found at a later date that the information provided within the application was misleading or inaccurate, grant payments will be withdrawn and/or suspended with immediate effect and proceedings may be taken to recover any grant funds already granted to you. Should you become aware of any material inaccuracies or omissions within your application after it has been submitted, you should notify us immediately.

All applications should be made by the deadline date. Late submissions will be automatically rejected.

5. How is my application assessed?

All applications to the British Horseracing Grant Scheme are assessed in three stages. Applications must satisfy all three stages in order to be considered eligible for a grant.

Stage One: The Grant Scheme Criteria

All applications will be judged against the aims of the Grant Awards Scheme; and must, in the opinion of the assessor at the BHA, demonstrate that the project or initiative for which funds are required meets at least one of the following aims:

- Improves the facilities for horseracing's participants and spectators and/or leaves a benefit for the wider horseracing community;
- Improves ways in which the consumers and participants engage in Racing, and improves the consumer experience;
- Sustains or increases the participation in the sport through education programmes, marketing and public relations projects or other activity aimed at encouraging involvement in the sport at any level;
- Encourages youngsters to participate, experience and understand horse racing;
- Encourages the consideration of the horseracing industry as a career option;
- Grow and diversify the fanbase of the sport, for example, through the use of new media, education and new technology;
- Engages with sections of the population which might not otherwise be fully engaged, including but not limited to increasing the diversity of those taking part in racing activities;
- Improves retention of stable staff;
- Improves the education and training of participants, including jockeys, stable staff and racehorse trainers, and meet their training needs in identified areas of concern;
- Benefits the health and wellbeing of the sport's participants.
- Improves the communities in which horseracing plays a significant part;
- Assists in the improvement of breeds of horses;
- Advances or encourages veterinary science or veterinary education;
- Improves the integrity function of the sport;

It will be your responsibility to demonstrate that your project satisfies at least one of these aims. A short explanation is invited for each criteria selected in the application form.

Stage Two: State Aid Criteria

Any application for funding from the British Horseracing Grant Scheme **must** be compliant with European Union State Aid regulations. Details of these regulations are provided in Section 10, and in the accompanying State Aid Guidance document.

The European Union State Aid regulations apply as the funds for projects from the Scheme shall be coming from the Secretary of State for Culture, Media and Sport – and are therefore deemed state resources.

There are two principal types of State Aid exemption within which grants from the British Horseracing Grant Scheme can be made – *De Minimis* and *Block Exemptions*.

Regardless of the required match funding stipulated in the EU regulations, the British Horseracing Grant Scheme Awards Committee has determined that it will only consider applications for a Grant which are **at least 50%** match funded from other sources – which cannot be State funds – unless an applicant can demonstrate that special circumstances apply which justify a reduction in the level of match funding. Certain types of grant may require a higher proportion of match funding. This policy may be subject to review.

As outlined in section 4, certain groups of companies will be treated as one organisation for the purposes of their eligibility for *De Minimis* funding under EU State Aid regulations. Should an organisation which is part of a wider group of companies apply for a *De Minimis* grant, they will require the agreement of other organisations within their group to this application.

In isolated cases, it may be determined that while the application does not completely satisfy State Aid criteria, it does satisfy the Grant Scheme criteria to the extent that processes will be initiated to apply for a specific exemption from the European Commission. Applicants shall be notified and consulted where there is scope for this process to be initiated. It should be noted however, that this is likely to be a long process that may require substantive financial and manpower resources, so will only be considered in exceptional circumstances.

Stage Three: The Final Assessment

At this stage, the detail of the application shall be considered with an analysis of it in respect of:

- The extent to which the project would demonstrate value for money. Where applicable, this should be determined by reference to a specific set of targets, an achievable timescale and/or agreed milestones.
- The scale of benefits that the project would have for the sport of horseracing and its participants and spectators.

- The sustainability of the project or organisation and requirements for ongoing or additional funding.
- The compatibility of the proposed project with relevant and existing British Racing industry strategies
- Any such other factors as determined by the Awards Committee, or DCMS, which all applicants shall be advised of.

Only applications which satisfy all stages of this process will be recommended for a grant.

6. The Application Process

Once we have received your application, it will be assigned to a dedicated case worker who will be responsible for the handling of your application. You should receive a confirmation letter that we have received your application. Your application will also be given a dedicated reference number which will be used throughout the process. Please quote this number in any correspondence with us.

Your case worker will firstly ensure that your application has been correctly completed and that all the necessary information is in place. If there are any minor discrepancies, such as missing contact information, then we shall contact you for clarification. However, significant omissions may mean that an appropriate assessment of the application is impossible. Therefore your application will be deemed incomplete and not considered for an Award.

Once the assessment process as described above is completed, we will submit the application, alongside our recommendation and comments, to the Awards Committee. The Awards Committee comprises of key figures within the Racing Industry – and it is this body which makes the final decision on your application.

The Awards Committee may award grants:

- to all, some or none of the applications certified by us as satisfying the Grant Scheme and State Aid criteria,
- to the full amount as sought in the application, or any amount up to that level
- in instalments
- subject to conditions and/ or modifications (including those requiring potential repayment)
- in each case as it shall determine.

7. Successful Applications

If your application is successful, you will be notified of the decision of the Awards Committee within seven working days. If there is any reason, administrative or otherwise, as to why this notification is delayed, then you will be informed of this. The notification letter shall be deemed as the Awards Letter and shall outline the amount of grant awarded, when it will be distributed, and any other limitations or alterations imposed by the Awards Committee. The letter shall be accompanied by a document outlining the Terms and Conditions of the Grant.

You will have 28 calendar days from the date of the letter to accept the terms and conditions of the grant. If you fail to accept the terms within the time limit, or refuse to accept the terms and conditions (which remains your prerogative), then your grant offer will be withdrawn.

Notification of acceptance of the Awards Letter will require your banking details to allow the funds to be processed to your account as well as other details so that appropriate checks can be carried out. Once we have received your confirmation, we will initiate the payment.

Acceptance of the Awards Letter and its accompanying Terms and Conditions will mean that you are subject to the Monitoring and Reporting Procedures as outlined in the Terms and Conditions of grant. You are required to co-operate with this process at all stages. Failure to comply may result in your grant being withdrawn, and any monies already paid out to you being recouped.

8. Unsuccessful Applications

If your application is unsuccessful, you will be informed of our decision in writing within seven working days. The decision letter will inform you of the reasons why your application was unsuccessful.

If you are unhappy with the outcome, you may bring an appeal against our decision within 28 calendar days of the date of our decision letter. Any appeal received after this deadline will be rejected.

Appeals may be brought against a decision to reject your application in full, against a partial rejection (i.e. where an award is granted but for a sum less than the amount sought) or where an application is accepted but is made subject to such conditions or modifications as the Awards Committee deem appropriate.

Your appeal must outline in concise and clear terms why you think the decision is flawed and where appropriate should be accompanied by any supporting documents. We will endeavour to keep you updated as the appeal progresses and if it is

unsuccessful, you will be given our reasons and advised of the options available to you.

Please note that in the event that your appeal is unsuccessful, you shall be required to pay our reasonable costs incurred in dealing with your appeal.

9. Contact Details

If you have any enquiries, outstanding questions, or require clarification about the British Horseracing Grant Scheme then you can:

Email us at grantscheme@britishhorseracing.com

Write to us at **British Horseracing Grant Scheme, 75 High Holborn, London, WC1V 6LS**

Telephone us on **020 7152 0005** (Please note that calls may be monitored and recorded for training and operational purposes, and to improve the quality of our service).

10. State Aid Information

The British Horseracing Grant Scheme is to be funded through British Racing's share of the proceeds from the sale of the Tote. As the sale transaction has taken place between the Government and Betfred, the proceeds from the sale are deemed to be state resources. Therefore, any subsequent distribution of funds from the Department of Culture Media and Sport (DCMS) through the Grant Scheme body is treated as being granted by the State and, as such, could constitute State Aid.

State Aid is a European Commission term which refers to forms of assistance from a public body, or publicly-funded body, given to undertakings which could distort competition and affect trade between member states of the European Union.

The 'State Aid rules' are set out by the European Commission and comprise of various articles of the Treaty on the Functioning of the European Union ("TFEU"), regulations, frameworks and guidelines - which set out what aid can be given. Detailed guidance can be found on the BIS State Aid Guide - "Guidance for state aid practitioners" (June 2011) (<http://www.bis.gov.uk/policies/europe/state-aid/advice-on-state-aid>)

The European Commission oversees the UK Government's compliance with these rules and must be notified of all schemes involving State Aid. State Aid granted without the Commission's approval is viewed as unlawful and may be subject to repayment with interest by the aid recipient.

There are, however, exceptions to the rule that the provision of state aid is unlawful. In particular, the two exemptions which will be applied for the purposes of this scheme are:

- 1) *De Minimis* – Small amounts of financial support (less than €200,000 to any undertaking over any rolling three year period) are considered to be de Minimis amounts. This assumes that the undertaking has also not received any De Minimis funding from other sources, which would mean that the €200,000 limit was exceeded. De Minimis aid may be given without the need for notification or approval, though records of aid granted must be maintained.

If your application meets the grant criteria, you may be given assistance under the De Minimis Regulation (Regulation 1998/2006). This may allow an enterprise to receive up to €200,000 De Minimis aid over any period of three fiscal years.

To establish whether you are eligible to receive De Minimis aid **you must declare the full amount of De Minimis aid which you have already been granted during the previous two fiscal years (2013-14 and 2014-15) and the current fiscal year (2015-16).**

Potentially any assistance you may have received from a public body might be a De Minimis aid. This could be from central, regional, devolved governments or agencies or a local council.

You should have received a letter informing you if you were given assistance under the De Minimis regulation. If you are not sure whether or not any public assistance you have received is De Minimis aid, please contact the body which granted the assistance to clarify this and provide information about all forms of public assistance under €200,000 you have received in the last three years.

A list is included below giving examples of the possible form which the aid might take. This should give you an indication of common forms of aid which you may have been given over the past three years.

Forms of possible aid might include:

- State grants;
- interest rate relief;
- tax relief;
- tax credits;
- State guarantees or holdings;
- State provision of goods or services on preferential terms;
- direct subsidies;

tax exemptions;
preferential interest rates;
guarantees of loans on especially favourable terms;
acquisition of land or buildings either gratuitously or on favourable terms;
provision of goods and services on preferential terms;
indemnities against operating losses;
reimbursement of costs in the event of success;
State guarantees, whether direct or indirect, to credit operations preferential re-
discount rates;
dividend guarantees;
preferential public ordering;
reduction of, or exemption from, charges or taxes, including accelerated
depreciation and the reduction of certain social contributions;
deferred collection of fiscal or social contributions;
assistance financed by special levies;
capital transfers;
certain State holdings in the capital of undertakings.

- 2) *Block Exemption* – there are a number of exemptions set out in the EU’s General Block Exemption regulation which allow aid to be given to undertakings without notification. However, there are specific limits within each category as to how much aid can be provided, and its “intensity” (i.e. percentage of costs that can be covered).

Details of what Block Exemptions exist can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32008R0800:EN:NOT>

We have acquired comprehensive legal guidance on State Aid regulations, the categories of exemption available, and the overall amount of funds and intensity permitted within each of these. This guidance is available on our website, and we recommend that you use this information to consider whether your application might be eligible for a grant that satisfies the State Aid criteria. However, these pages contain general information only and nothing in these pages constitutes legal advice. If you are in any doubt you should consult a suitably qualified lawyer on any specific legal question or matter.

11. VAT

When applying for your grant you should consider whether you need to include the cost of VAT in the amount you are seeking. Whilst we cannot offer advice on VAT recovery, it is likely that in some instances the VAT recoverable on your costs may be restricted if the grant is supporting a non-business activity. Where you believe this is

likely to be the case we will accept grant applications that are VAT inclusive so long as a justification is provided.

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