

High street benefits from £22 billion grants and business rates package

Thousands of high street firms are beginning to receive £25,000 cash grants and will be exempt from business rates from today (Wednesday 1st April 2020) – as they begin to benefit from a £22 billion package.

As part of a raft of unprecedented measures announced by the Chancellor to support those affected by the coronavirus outbreak, eligible properties, including those in the retail, hospitality and leisure sectors, will not pay business rates for the next 12 months. The measure comes into force today and will save firms in England £11 billion.

The smallest businesses in these sectors are also beginning to receive one off grants of either £10,000 or £25,000, with money landing in their bank accounts.

Rishi Sunak commented:

High street businesses are at the core of what keeps our economy thriving.

That is why we are taking the unprecedented step to provide businesses with the vital cash they need to ensure their survival during this difficult time, with 300 businesses having already received money in their accounts.

An early payment of £3.4 billion was made to local authorities last week (Friday 27th March 2020) to ensure grants would get to businesses as soon as possible. Westminster City Council paid grants to 300 businesses on Monday night. Every local authority in England has now received the full amount of grant funding they need to support their local businesses.

The business rates holiday, which also applies to England's nurseries, forms part of the government's economic response to Covid-19.

Business Secretary Alok Sharma said:

Business rates can often be one of the main fixed costs for small companies up and down the country, which is why today's suspension of business rates for retailers and our hospitality and leisure industries will offer much-needed support in these challenging times.

The rates relief and grants are in addition to the government's wide-ranging support for the economy. This includes the government paying the wages of

millions of employed and self-employed people by covering 80% of monthly incomes through the Coronavirus Job Retention Scheme and the Self Employment Income Support Scheme.

For devolved matters, including the business rates measures, the Devolved Administrations will receive funding under the Barnett formula to support businesses in Scotland, Wales and Northern Ireland. So far the UK government has provided £5.3 billion of funding to the devolved administrations to support people, business and public services in response to Covid-19.

This includes over £2.7 billion for the Scottish Government, over £1.6 billion for the Welsh Government and £900 million for the Northern Ireland Executive.

Cllr Rachael Robathan, leader of Westminster City Council, said:

We are proud to play our part in the government's scheme to ensure that businesses are getting the financial assistance that they need.

The first 300 grants worth more than £3 million have now gone to some of the borough's small businesses and we are working as fast as we can to process others.

Help to companies now is vital to help them survive and be ready for normal trading when the epidemic eases.

Nathan Clark, Director of the Brudenell Social Club in Leeds, welcomed the news, commenting:

The schemes and support measures brought forward by the Chancellor in respect of Covid-19 have and will undoubtedly aid Brudenell Social Club navigate through one of our greatest business challenges in our 106 year history.

We will look to utilise all schemes where possible, such as the small business grant, alongside furloughing our employees and furthermore appreciate the business rates holiday which will give us much more flexibility in our cash-flow over that period.

This package will give us a fighting chance to pull through and continue to support the community in the future.

Mike Cherry, National Chairman, The Federation of Small Businesses said:

Many small businesses across England in the retail, hospitality and leisure sectors alongside nurseries, estate and letting agents and bingo halls, will be very pleased that the one year business rates holiday has started.

This intervention combined with the quick delivery of grants for those small businesses eligible for the expanded Retail Discount and the 700,000 small businesses in receipt of small business rates relief and rural rate relief, could be the difference between surviving this crisis or folding.

Kate Nicholls, CEO UK Hospitality, said:

These are, naturally, very concerning times for businesses in the hospitality sector. Ours was one of the first sectors to feel the significant impact of the crisis as customers began to avoid social gatherings.

Cash flow is effectively at zero for many employers in hospitality, so we needed swift and significant support to ease the burden. The business rates holiday for our entire sector, the third largest in the country, will provide a substantial boost to businesses when they most need it.

This will help many employers survive the crisis and should help put us in a position to begin rebuilding our industry, and the wider economy, once the current challenges have been met.

Further information

If eligible businesses have made payments in the meantime, they will be refunded by their local authority. We are working with local authorities to ensure new bills are issued as soon as possible.

In most cases, local authorities will need to collect details from small businesses in order to be able to make payments. Local authorities will be in touch with all eligible businesses shortly.

The two business grant funding schemes help businesses manage their cashflow by: * Providing grants of £10,000 to small businesses eligible for Small Business Rates Relief or Rural Rates Relief; * For businesses in the retail, hospitality or leisure sectors: providing £25,000 grants per property, for each property with a rateable value over £15,000 and below £51,000; and £10,000 per property, for each property with a rateable value of £15,000 or less.

Read more about the government's Covid-19 economic response measures [here](#).