

## ECONOMY AND RESOURCES SCRUTINY COMMITTEE

### 1 APRIL 2021

#### COVID-19 BUSINESS SUPPORT GRANTS UPDATE

1. The Government has provided funding for local authorities to support local businesses adversely affected by the Covid-19 restrictions. The business support schemes are as follows:
  - (a) Local Restrictions Support Grant (Open) - running from 14 October to 4 November 2020.
  - (b) Local Restrictions Support Grant (Closed Addendum) - running from 5 November 2020 to 2 December 2020.
  - (c) Local Restrictions Support Grant (Closed) – Tier 3 restrictions – running from 2 December 2020 to 30 December 2020.
  - (d) Local Restrictions Support Grant (Closed Addendum) – Tier 4 restrictions – running from 31 December 2020 & Closed Business Lockdown Payments running from 5 January 2021
  - (e) Additional Restrictions Grant.
  - (f) Christmas Support Payment for wet-led pubs. (scheme now closed)
  
2. So far, £11,272,736.81 has been awarded to Darlington businesses from these schemes. The breakdown is as follows (status at 15 March 2021):

	Applications	Approved	Declined	Awaiting Decision	Amount Paid
<b>LRSO Open</b>	360	218	140	2	£192,075.40
<b>LRSO (Closed Addendum) National Lockdown</b>	1,074	848	219	7	£1,292,116.00
<b>LRSO Tier 3</b>	446	260	185	1	£418,262.43
<b>Christmas Support Payment for Pubs</b>	77	51	26	0	£51,000.00
<b>LRSO Tier 4/National Lockdown</b>	1,202	859	335	8	£2,148,818.36
<b>Closed Business Lockdown Payment</b>					£3,841,285.71
<b>LRSO Tier 4/National Lockdown Second Payment Cycle</b>	856	856			£2,008,305.00
<b>Additional Restrictions Grant</b>	854	430	341	89	£1,320,873.91
<b>TOTAL:</b>	<b>4,869</b>				<b>£11,272,736.81</b>

3. As can be seen, the Government has introduced various grant schemes while restrictions have been ongoing. The headline Local Restrictions Support Grant was initially designed to support businesses suffering reduced demand or forced to close under the 'tier' system, but was subsequently updated to cover national "lockdown" restrictions too.
4. As part of the March 2021 Budget, the Government set out a new wave of support measure for the small businesses, including £5 billion in Restart Grants to support local economies as they emerge from the pandemic and lockdown restrictions and commence a path of recovery.
5. The restart grant scheme will offer those businesses forced to close during lockdown one off financial support. The grants are worth up to £6,000 for non-essential retail, and up to £18,000 for hospitality, leisure, personal care and accommodation businesses. As previously, these grants will be administered locally by local authorities and will commence at the beginning of April 2021.
6. The existing range of local restrictions support grants will be superseded by the restart grants (with the exception of Additional restrictions Grant).
7. Other business support measures announced in the Budget include:
  - (a) Extension of the furlough scheme until the end of September 2021.
  - (b) Self-Employed Income Support Scheme will continue until September 2021
  - (c) Newly self-employed that have filed a tax return can now access the SEISS grant.
  - (d) The 100% business rates holiday will continue until the end of June 2021. For the remaining nine months, they will be discounted by two-thirds.
  - (e) 5% reduced rate of VAT extended until 30 September 2021. It will then be 12.5% for a further six months, returning the standard rate in April 2022.

**Ian Williams**  
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