

House of Commons: Written Statement (HCWS690)

Treasury

Written Statement made by: **The Chancellor of the Exchequer (Rishi Sunak)**
on 06 Jan 2021.

Economy Update

Following my announcement yesterday that the government is providing £4.6 billion of UK-wide funding to support hardest hit businesses, I am pleased to share further details regarding these grants.

Throughout this crisis, our economic priority remains the same: to protect jobs. We have already set out our economic package of support for businesses over the Winter, including: monthly grants for closed businesses worth up to £3,000 per month; 100% business rates relief for all eligible retail, hospitality and leisure premises in 2020/21; extending the furlough scheme to April; extending the 100% government-backed COVID-19 lending schemes to March; and providing further SEISS grants to support the self-employed to April.

But given further national restrictions announced by the Prime Minister on Monday that will prevent further spread of the virus, the government will provide additional support to the most affected businesses, worth £4.6 billion across the United Kingdom.

All business premises in England which are legally required to close, including Retail, Hospitality and Leisure, can claim a new one-off grant of up to £9,000. The one-off additional grant each business premises will receive depends on their rateable value.

- Businesses with a rateable value of £51,000 or over will receive grants of £9,000
- Businesses with a rateable value between £15,000 and £51,000 will receive grants of £6,000
- Businesses with a rateable value of £15,000 or under will receive grants of £4,000

This one-off grant is in addition to the existing monthly closed grants of up to £3,000 per month that businesses continue to be eligible for. These grants are worth over £1 billion in total per month.

We expect over 600,000 business premises in England to benefit from these grants. Businesses can receive multiple grants, as they are eligible on a per premises basis. Local authorities will receive the funding for the one-off grants next week, and we encourage them to make payments to businesses as soon as possible.

In addition to these one-off grants, we are making available discretionary funds of £500m to local authorities in England to enable them to support their local businesses. This builds on the £1.1 billion discretionary funding (worth £20 per head of population) which local authorities in England have already received to support their local economies and help businesses impacted.

This announcement also includes £729 million of funding for the devolved administrations as part of the unprecedented upfront funding guarantee. The total of the guarantee is reviewed regularly to ensure it reflects all additional funding and was most recently increased by £800 million to £16.8 billion on 24 December. The Government is likely to increase this shortly to take into account any further expected increases in support in England.

This support will help businesses get through this difficult period through to the Spring. We will take further decisions about our economic response to coronavirus and how best to support the economy, businesses and jobs at the Budget on the 3rd March.