

Sent to BID Businesses on 21st December 2021

£1 billion in support for businesses most impacted by Omicron across the UK

Please find below information announced today from the Chancellor Rishi Sunak regarding additional support that will be available for businesses who have been impacted by the Omicron variant - we have no finer details at the moment.

Published today:

- Businesses in the hospitality and leisure sectors in England will be eligible for one-off grants of up to £6,000 per premises, plus more than £100 million discretionary funding will be made available for local authorities to support other businesses
- Government will also cover the cost of Statutory Sick Pay for Covid-related absences for small and medium-sized employers across the UK
- £30 million further funding will be made available through the Culture Recovery Fund, enabling more cultural organisations in England to apply for support during the winter

Recognising that the rise of the Omicron variant means some businesses are likely to struggle over the coming weeks, the government is providing one-off grants of up to £6,000 per premises for businesses in the hospitality and leisure sectors in England.

At what is often their most profitable time of year, many pubs and restaurants have seen cancellations and reduced footfall as people have responded to the rise in cases ahead of Christmas, with Hospitality UK reporting that many businesses have lost 40-60% of their December trade, often their most profitable month.

Around 200,000 businesses will be eligible for business grants which will be administered by local authorities and will be available in the coming weeks.

Given the uncertain situation faced by businesses, the government has chosen to provide generous grants, which are equivalent to the monthly cash grants provided to hospitality businesses when they were fully closed earlier this year, despite businesses now being still able to trade.

The effectiveness of government policies to support the economy through the pandemic and the success of businesses in learning to adapt means the economy is in a different place now than it was at the start of the crisis.

Many businesses have more cash in the bank than they did at the start of the pandemic and net cash deposits for all hospitality businesses have risen by £7 billion (40%), while small and medium-sized businesses in the hospitality sector have seen their cash deposits rise by £2 billion (79%).

Fewer businesses have become insolvent, with insolvencies running 25% lower than pre-pandemic in hospitality, and vacancies are 50% above pre-pandemic levels.

Prime Minister, Boris Johnson said:

With the surge in Omicron cases, people are rightly exercising more caution as they go about their lives, which is impacting our hospitality, leisure and cultural sectors at what is typically the busiest time of the year.

That's why we're taking immediate action to help with an extra £1 billion in grants to these industries and reintroducing our Statutory Sick Pay Rebate Scheme.

I urge people across the country to please get boosted now to secure vital protection for yourselves, your loved ones and your communities.

Chancellor of the Exchequer, Rishi Sunak said:

We recognise that the spread of the Omicron variant means businesses in the hospitality and leisure sectors are facing huge uncertainty, at a crucial time.

So we're stepping in with £1 billion of support, including a new grant scheme, the reintroduction of the Statutory Sick Pay Rebate Scheme and further funding released through the Culture Recovery Fund.

Ultimately the best thing we can do to support businesses is to get the virus under control, so I urge everyone to Get Boosted Now.

To support other businesses impacted by Omicron – such as those who supply the hospitality and leisure sectors – the government is also giving a more than £100 million boost to the Additional Restrictions Grant (ARG) fund for local authorities in England.

Local Authorities will have discretion to allocate this funding to businesses most in need. The ARG top up will be prioritised for those local authorities that have distributed the most of their existing allocation. This is on top of the £250 million of previously allocated funding that remains with local authorities.

As increasing numbers of Covid-19 cases means more workers taking time off work, the government is also reintroducing the Statutory Sick Pay Rebate Scheme (SSPRS).

The SSPRS will help small and medium-sized employers – those with fewer than 250 employees – by reimbursing them for the cost of Statutory Sick Pay for Covid-related absences, for up to 2 weeks per employee. Firms will be eligible for the scheme from today and they will be able to make claims retrospectively from mid-January.

To provide continued support to the cultural sector, £30 million further funding will be made available through the Culture Recovery Fund to support organisations such as theatres, orchestras and museums through the winter to March 2022.

This figure will build on nearly £240 million of cultural grant support already allocated this financial year or currently available for organisations to bid for.

Over the course of the pandemic the UK Government has provided nearly £2 billion to support our vital cultural sector, with the original £1.57 billion round of the Culture Recovery Fund announced in July 2020.

The UK Government is working closely with counterparts in the devolved administrations and businesses across all parts of the UK.

As part of this support announced today, the devolved administrations will receive around £150 million of funding through the Barnett formula, comprising around £80 million for the

Scottish Government, £50 million for the Welsh Government and £25 million for the Northern Ireland Executive.

This contributes towards the £860 million of further funding announced by the UK Government in the last week to support the devolved administrations, allowing them to provide additional support to businesses in Scotland, Wales and Northern Ireland as they see fit.

These additional measures will reinforce the existing package of business support, including:

- business rates relief meaning that the majority of businesses in the hospitality and leisure sectors will see a 75% reduction in their business rates bill across the entire financial year and a new 50% capped business rates relief next financial year;
- a 12.5% reduced rate of VAT for hospitality and tourism to support the cash flow and viability of around 150,000 businesses and protect over 2.4 million jobs, until the end of March;
- the £1.5 billion Covid Additional Relief Fund for businesses that have not previously had business rates support;
- businesses will be protected from eviction if they are behind on rent on their premises, thanks to the moratorium in place until March 2022;
- access to finance for SMEs through the Recovery Loan Scheme to June; and
- Bounce Back Loan repayment flexibility, with borrowers having the option to take a 6 month repayment holiday, three 6 month interest only periods or extend their loan to 10 years, which almost halves the monthly payment.
- support for the aviation and travel sectors, including over £12 billion since the beginning of the pandemic, and the Airport and Ground Operations Support Scheme (AGOSS) until the end of March 2022.
- HMRC stand ready to support any business impacted by the coronavirus pandemic through its Time to Pay arrangement, and the Chancellor has asked them to offer businesses in the hospitality and leisure sectors in particular the option of a short delay, and payment in instalments, on a case by case basis, as part of this.

Further information:

The funding consists of:

- £683 million for targeted grants for hospitality and leisure businesses in England
- £102 million top-up for the Additional Restrictions Grant
- £30 million for Culture Recovery Fund
- £154 million of Barnett funding covering all three above
- Funding for the Statutory Sick Pay Rebate scheme will be additional to these amounts
- Further information will be available in the [published factsheets](#).

<https://www.gov.uk/government/news/1-billion-in-support-for-businesses-most-impacted-by-omicron-across-the-uk>

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If you are a Clapham Junction BID business and you have missed any of these communications, or for more information – please contact Roz Lloyd-Williams, The Executive BID Director, The Junction BID Tel: 07522 812299 email: roz.lloyd-williams@thejunctionbid.co.uk