

## **CITY OF LONDON CORPORATION**

### **Local Restrictions Support Grant (Open) & Additional Restrictions Grant Schemes**

#### **Background**

As part of the ongoing support to businesses the Government announced two discretionary grant schemes, the Local Restriction Grant Support (Open) scheme, which applies during Tier 2 restrictions and the Additional Restriction Grant. As the schemes are discretionary the City can choose to use the funding to support local businesses based on its own local knowledge.

#### **Funding**

Section 1 of the Localism Act 2011 provides all local authorities with the powers to determine discretionary payments. The two schemes above are entirely discretionary, and the City is permitted to use its own local knowledge based on economic need to determine qualification criteria.

Funding for the schemes is limited with approximately £1.1m being made available by Government. It has been necessary to consider this limitation when designing the scheme. The aim is to award a reasonable level of grant, whilst considering those businesses that are more adversely affected in the City than they would have been if located elsewhere. The total grant funding currently available is as below.

Local Restrictions Support Grant (Open) - £907,739

Additional Support Grant - £194,420

**Total - £1,102,159.**

The City scheme will allocate funds to businesses in the hospitality, leisure and accommodation sectors as well as small retail businesses that have been “severely impacted” in the City, even though they were not mandated to close. These include healthcare and ancillary services such as dentist and opticians: and takeaway cafes/restaurants, newsagents, drycleaners, etc. These businesses have not qualified for the national lockdown grant because they were not mandated to close but due to the City’s unique demographic (small resident population), they are experiencing significant adversity when compared to other areas of London and the country.

#### **Who will receive a grant**

The City has decided to assist businesses in the hospitality, leisure and accommodation sectors as well as small retail and medical related businesses. The Council of City of London Corporation has initially limited the grants to hereditaments with a maximum rateable value of £150,000 due to the small fixed amount of grant provided to the City. This may be reviewed depending on the number of qualifying businesses that meet the eligibility criteria.

A small independent retail/medical business is defined as one where they either occupy one hereditament whose rateable value is less than or equal to £150,000

OR they occupy more than one hereditament and the sum of the rateable values is less than or equal to £150,000.

The Business must depend primarily on face to face customers. The grants will not be available to a business that operates from what would be considered standard office space.

The funding that is available will be split in the following ratios and distributed evenly between each business in each category.

Rateable Value Up to £15,000 – 21.5% (£236,964). – Maximum grant payable will be £2,150  
Rateable value Between £15,001 and 50,999 – 31.5% (£347,180) – Maximum grant payable will be £3,150

Over £51,000 up to and including £150,000 -47% (£518,015) -- Maximum grant payable will be £4,700.

#### **How the grants will be awarded:**

There will be no general application process and the City will directly approach those businesses identified from its records that it intends to assist. Those businesses contacted will have to complete an application form indicating they wish to accept a grant payment.

Invitations to apply will be sent out at the start of February. This will include a deadline for submitting applications.

Once the deadline for submitting applications has passed, the funds available will be distributed equally between all successful applicants in each group up to the maximum capped amount.

If the funding is not all used, the City will review and consider extending the scheme.

#### **Administration**

The Tier 2 grants will be paid to the City in tranches of 28-day periods by central Government. As the level of Tier 2 funding per 28-day period is relatively small, in February 2021 the Tier 2 grants received to date will be aggregated and spread across all the businesses that meet the eligibility criteria above.

#### **Appeal Process**

The award of the grants is entirely discretionary and there is no appeal process.