



Department for  
Business, Energy  
& Industrial Strategy

Department for Business,  
Energy & Industrial Strategy  
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Dear Ruth,

Thank you for your letter of 25 September to the Prime Minister about the effect the COVID-19 restrictions are having on businesses in London. I am replying as this matter falls within my ministerial portfolio.

Business Improvement Districts (BIDs) are a proven and effective vehicle for leveraging private investment and have a significant role to play in high street regeneration. Their role will be even more important in the recovery phase from the current crisis, and our policy objective here is to help them weather the current crisis so they are able to help lead the economic recovery in their places to come.

Since June, the Government has distributed more than £5.5m to support all 260 BIDs in England with their core operational costs. This funding was delivered through 140 local authorities and was based on a fair percentage of a BIDs levy income from each BID's operating year ending in 2019/20.

This follows the enactment of the Coronavirus Act 2020 which enables BIDs to extend the maximum duration of their BID arrangements until 31 March 2021, delaying BID ballots. It delays BIDs ballots between Royal Assent of the Act (25 March) and 31 December 2020 by extending the BID arrangements until 31 March 2021.

This enables businesses to focus on recovery from economic shock before deciding whether to participate in BID arrangements for the following five-year period and allows BIDs to coordinate their places' recovery.

More information on the Coronavirus Act 2020 can be found at:  
[www.legislation.gov.uk/ukpga/2020/7/contents/enacted/data.htm](http://www.legislation.gov.uk/ukpga/2020/7/contents/enacted/data.htm).

We will continue to work closely with the sector to look at how further we can support BIDs, and the businesses that contribute to them, during this time.

Westminster City Council have received £1,047,264.13 in grant funding which is split between the Baker Street Quarter Partnership, Leicester Square and Piccadilly Circus, Piccadilly and St. James, Marble Arch, New West End Company, Northbank, PaddingtonNow, Victoria Partnership and Victoria Westminster BIDs.

We will continue to work closely with local authorities, businesses, and business representative organisations to understand the impact of COVID-19 on businesses. This will include consideration of how payments for deferred VAT and loan repayments will impact businesses from March 2021.

The Government also provides support to businesses through our core services including GOV.UK, the Business Support Helpline and Growth Hubs operating in England.

The Government has actively supported and invested in the creation of 38 Growth Hubs across England (one in each Local Enterprise Partnership area), providing businesses across England with support and advice via a free and impartial, local 'single point of contact'. More information can be found at [www.lepnetwork.net/local-growth-hub-contacts](http://www.lepnetwork.net/local-growth-hub-contacts). Trained business advisers at the hub will be able to discuss business planning and building resilience, as well as signposting to additional resources and opportunities.

We recognise that in areas where restrictions on socialising have come into force over the past few months, many businesses which have been able to remain open between 1 August and 5 November will nonetheless have been affected by a severe reduction in demand. We are providing funding to Local Authorities to enable them to make backdated payments, up to a maximum of £2,100 per month, through the Local Restrictions Support Grant (LRSG) Open scheme to those businesses which were in this situation.

We also recognise that businesses which are legally required to close due to national or local restrictions need additional support. That is why we have announced the LRSG Closed scheme. Businesses in England that are forced to close due to national or local restrictions will receive up to £3,000 per month. This is worth over £1 billion a month with the new restrictions in place and will benefit over 600,000 business premises. 90% of small and medium sized business premises in the closed Retail, Hospitality and Leisure sectors should broadly have their monthly rent covered by these grants.

Furthermore, all local authorities in England will receive additional funding in the form of a one-off payment worth £20 per head of population - a total of £1.1 billion across England. This funding is designed to support local businesses by complementing the Local Restrictions Support Grant schemes. We encourage Local Authorities to set up a discretionary grant scheme using this funding e.g. for those businesses who are affected by closures, but which are not legally closed themselves. However, local authorities can also use it to support businesses indirectly including by providing additional guidance and support for businesses in their areas.

Thank you once again for taking the time to write. I am very aware of the particularly difficult position the Central Activity Zone in London faces and look forward to working with you and the other central London BIDs on a way to allow the centre of our capital to bounce back. I hope you find this information helpful.



**PAUL SCULLY MP**

Minister for Small Business, Consumers & Labour Markets  
Minister for London