



Business Support under the Second Covid-19 Lockdown

Introduction

The Government has extended the range of business support that is available to businesses that have been ordered to close. This is called the Local Restrictions Support Grant (LRSRG). In addition, there is support for certain businesses that were adversely affected by being in Tiers 2 and 3 under the series of regional lockdowns. Finally, local authorities have been given the discretion to target support to particular businesses.

The details of this new support are set out below.

Local Restrictions Support Grant (closed)

This Grant is available to businesses that are mandated to close during the lockdown and includes non-essential retail, leisure, personal care, sports facilities and hospitality businesses (including museums and galleries, indoor attractions, zoos, bingo halls, casinos, sports facilities restaurants and pubs).

The value of the grant is based on the rateable value of the business as set out in the following table.

Rateable value	Amount per 2 weeks	Amount per month (28 days)
£15,000 or under	£667.00	£1,334.00
£15,000 - £51,000	£1,000.00	£2,000.00
Over £51,000	£1,500.00	£3,000.00

To be eligible, the business will need to have been:

- Trading as usual prior to the date the restrictions came into force on 5th November 2020;
- Paying business rates as at 5th November 2020; and,
- Required to close due to Government lockdown restrictions.

The grants will be issued for each period that the business is closed following implementation of statutory restrictions and business closures. The funding is only available for businesses that were required to close because of the formal publication of lockdown guidance, the funding is not available to businesses who have decided to close for other reasons.

A business will not qualify for support under this scheme if it was in administration, insolvent, or a striking off order was made at the time the local restrictions started.

The Government's guidance on this scheme can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932622/V.1. Local Restrictions Support Grant CLOSED - FINAL LA guidance 03112020.pdf



Local Restrictions Support Grant (Open)

The LRSG (open) was set up grant that was established to support retail, hospitality, and leisure businesses in Tier 2 and 3 areas. These businesses were not legally required to close but suffered from reduced demand due to restrictions on socialising associated with being in Tier 2 and 3 areas.

Eligible businesses will receive backdated grants at 70% of the value of closed grants up to a maximum of £2,100 per month for this period. The backdated period is 1 August to 5 November.

It is thought that local authorities will begin distributing this grant to eligible businesses from 9 November.

The Government guidance can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932625/V.1_Local_Restrictions_Support_Grant_OPEN_-_FINAL_LA_guidance_03112020.pdf

Additional Restrictions Grant

The third grant is what is also known as the “Discretionary” Grant. This is a £1.1bn fund that the Government is allocating to local authorities to distribute to businesses in their areas that have been impacted by coronavirus but are not covered by the other grants.

The allocation is based on £20 per head of population in an area that can be used by the local authority to provide further one-off support for business. The allocation of this grant is at the discretion of each local authority and we are waiting for further details. It is not entirely clear whether a business that is eligible for either (or both) of the Local Restriction Support Grants will be allocated a further grant.

Government guidance can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932623/V.1_Additional_Restrictions_Grant_-_FINAL_LA_guidance_03112020.pdf

Summary

- If a non-essential business has been forced to close by the Government under the second Covid-19 lockdown, they will receive the Local Restrictions Support Grant (closed) based on the rateable value of the business if they are eligible;
- If a non-essential business has been adversely affected by being in Tiers 2 or 3 (prior to the national lockdown) they are eligible for the Local Restrictions Support Grant (open) of 70% of the closed grants up to a maximum of £2,100 per month, this being backdated for the period 1 August to 5 November;
- An additional restrictions grant may be allocated to businesses severely affected by the new lockdown measures. However, this is entirely at the discretion of each local authority.

Members are advised to contact their respective local authority in the first instance to check the eligibility conditions. CLA regions will be able to advise members in this regard.