



Department for
Business, Energy
& Industrial Strategy

Local Restrictions Support Grants (Closed) Addendum – Frequently Asked Questions (FAQ)



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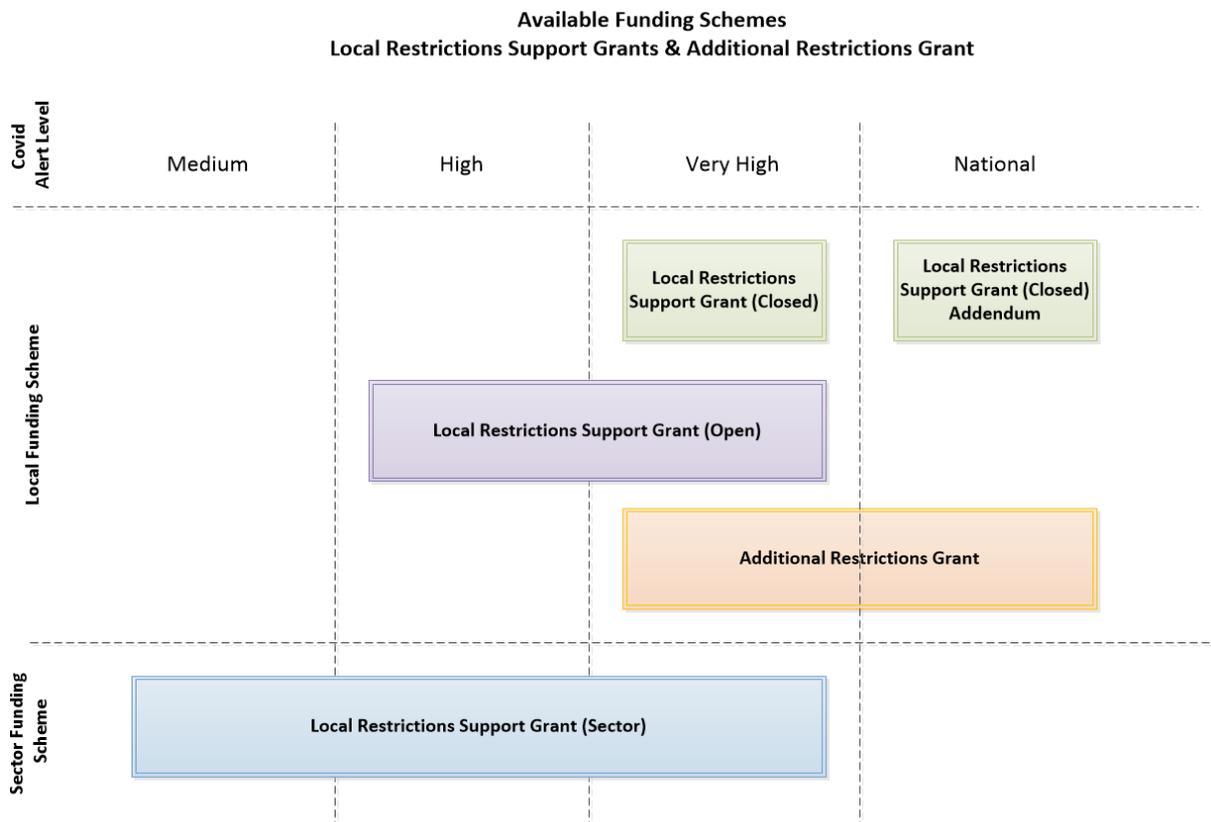
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1. National restrictions were announced on 31 October, to come into force on 5 November. See announcement: <https://www.gov.uk/government/news/furlough-scheme-extended-and-further-economic-support-announced>.
2. When national restrictions are imposed by Government and a significant number of businesses are mandated to close to manage the spread of coronavirus, then Local Restrictions Support Grant (Open) and (Sector) will cease to apply, and (Closed) will be superseded by the conditions set out in the (Closed) Addendum for the relevant period. Businesses will not be eligible for multiple versions of the Local Restrictions Support Grant under widespread national restrictions.
3. This document is aimed at Local Authorities to provide answers to Frequently Asked Questions regarding the criteria and management of LRSG (Closed) Addendum and general questions on funding schemes when transitioning from local restrictions to national restrictions.
4. For further information on business support, please see www.gov.uk/coronavirus/business-support

Frequently Asked Questions

5. **What funding schemes are available to Local Authorities under different restrictions?**



6. What about retailers who have businesses that have mixed premises and only part of the business is subject to national closures (e.g. locksmith/shoe repairs, restaurant/takeaway)?

The hereditament will be eligible to receive a grant through the LRSG (Closed) Addendum scheme if the business is required to close its main service. Local Authorities will be required to exercise their discretion and judge whether this is the case based on their local knowledge.

If a Local Authority deems the closed services to be below the requirement needed for the business to receive a (Closed) Addendum grant, then the business could still receive funding through the Additional Restrictions Grant.

7. Where can we find a list of eligible businesses under national restrictions?

Please see the regulations for those businesses mandated to close:

https://www.legislation.gov.uk/ukxi/2020/1200/pdfs/ukxi_20201200_en.pdf

8. What happens when national restrictions end?

When national restrictions end the Local Covid Alert Level system may be reintroduced and the schemes that apply will depend on the Alert Level in any given area (see diagram above). The Local Restrictions Support Grant (Closed) will continue to provide funding to businesses that are required by law to close and the terms set out in the LRSG (Closed) guidance will apply.

The LRSG (Closed) payment thresholds are:

- For properties with a rateable value of £15,000 or under, grants to be £1,334 per 28 days;
- For properties with a rateable value of over £15,000 and below £51k, grants to be £2,000 per 28 days;
- For properties with a rateable value of £51,000 or over, grants to be £3,000 per 28 days.

At the end of national restrictions, payment cycles are reset and will correspond to the funding scheme applicable to the Local Covid Alert Level in that area.

9. When do businesses have to have been trading in order to be eligible for the LRSG (Closed) Addendum funding?

The business must have been trading the day before restrictions came into force.

10. How will the grant amount be calculated under national restrictions?

The government will make an initial assessment to provide an allocation to Local Authorities triggering their first allocation of LRSG (Closed) Addendum as a result of national restrictions. If this is insufficient they will receive top up payments to ensure that Local Authorities have the right level of funding. Local Authorities will receive a Grant Offer Letter on 6th November detailing their allocations for this scheme.

During the period of national restrictions a single grant to cover the 28-day period will be made to each eligible business. This differs from the 14 days cycle under LRSG (Closed). The allocations will include an element for the businesses usually covered by the LRSG (Sector) scheme, so nightclubs, sexual entertainment venues, hostess bars and discos.

11. Will Local Authorities continue to receive funding under other Local Restrictions Support Grant schemes?

LRSB (Closed) funding will be adapted under national restrictions, where differences are incorporated under LRSB (Closed) Addendum, but all other Local Restrictions Support Grant schemes will cease: LRSB (Open) and LRSB (Sector). LRSB (Closed) Addendum has been introduced to cover additional closures and payment cycle changes, for national restrictions from 5 November 2020 to 2 December 2020. Grant funding will be issued to Local Authorities at the beginning of the 28-day payment cycle, which is the first day nationwide restrictions come into force.

Funding will then be provided on a rolling 28-day basis for as long as national restrictions apply. Please see the diagram in Question 1 of this document for an illustration of when the different schemes apply.

12. Will Local Authorities already part of an LRSB Scheme be paid the pro-rata amounts?

Yes, Local Authorities will be paid pro-rata amounts for the period that local schemes apply prior to national restrictions being in force. For example, if a Local Authority was under 'Very High' restrictions for 4 days before national restrictions came into force, they would receive 4 days pro-rata of LRSB (Closed). If that Local Authority had also been under 'High' LCAL restrictions for an additional 10 days before LCAL Very High restrictions, then they would also receive 14 days pro-rata payment of LRSB (Open) – 10 days for the period in LCAL High and a further 4 days in LCAL Very High.

13. Will Local Authorities be expected to pay part payments of the pro-rata grant amounts to businesses?

To ease the burden of distributing grants to businesses, Local Authorities may wish to bundle pro-rata payments covering short periods with the payments covering 28 days made under the Local Restrictions Support Grant (Closed) Addendum, but payments should be reported and reconciled separately.

14. Do Local Authorities have to specify which grant they are providing to businesses or can they merge allocations and run their own scheme?

Local Authorities have the discretion to administer the grant schemes and present the schemes to businesses according to their own needs. However, the allocation of grants should not breach any of the terms under the guidance and it should be made explicit to businesses that this is HMG funding. Local Authorities will also be accountable to Government for any decisions they make regarding the administration of the grant schemes. Payments must be reported and reconciled by scheme.

15. Are payments to businesses expected to be made after the end of the initial 28-day period, or as soon as possible on the understanding they will be closed throughout?

We encourage Local Authorities to provide grants to those eligible businesses as soon as possible, as businesses have been mandated to close for the full national restrictions period.