

## **Covid-19 business grants – update for local authorities Tuesday 3<sup>rd</sup> November 2020**

*(by email to local authority chief executives, local authority finance directors, all our single points of contact in local authorities and copied to the Advisory Group and Cities and Local Growth Unit area teams)*

Following the Prime Minister's announcement on Saturday 31<sup>st</sup> October, this email is to let you know about the grant funding we are asking you to deliver to businesses in your area and the further communications and products you can expect from us. It covers national grants from Thursday 5<sup>th</sup> November and grants that apply up to that point. Full details will be set out in guidance and the guidance and FAQs will supersede this note.

### **National grants provision from 5<sup>th</sup> November**

From Thursday 5<sup>th</sup> November – Wednesday 2<sup>nd</sup> December 2020 the following grants will be made available to all business-rate billing Local Authorities:

#### *Local Restrictions Support Grant (Closed)*

The LRSG(C) is a mandatory grant for businesses that have a rateable value (but note the scheme is **not** based on eligibility for rate reliefs, commonly applied thresholds in the rating system are used to set different grant rates).

During this period a single grant to cover the four-week period will be paid to each eligible business. The grant amounts will be fixed. Businesses with more than one qualifying property will receive more than one grant.

The rate of payment for eligible businesses will be:

For properties with a rateable value of £15k or under, grants to be £1,334 per four weeks;

For properties with a rateable value of over £15k and below £51k, grants to be £2,000 per four weeks;

For properties with a rateable value of £51k or over, grants to be £3,000 per four weeks.

To allow funding to be paid to Local Authorities, each will get allocation. Where this is insufficient to meet needs, top-up payments will be made so each Local Authority has the funding it needs.

There is no 5% discretionary element, this has been superseded by the Additional Restrictions Grant.

#### *Additional Restrictions Grant.*

This is a single allocation based on £20 per head of population (ONS 2019 Mid-Year Population Estimates) for each local authority to use to run a discretionary grant scheme, for example to closed businesses that do not have a rateable value or have costs that are significantly higher. Discretionary grants can also be paid to businesses that are severely impacted rather than closed. The allocation can also be

used for other direct business support at the discretion of the local authority, for example support for businesses from Growth Hubs.

The ARG is a one-off payment for Local Authorities in financial year 20/21 and is to be used in 20/21 and 21/22 and will not be renewed.

Local Authorities in LCAL High (Tier 3) will receive the amount they negotiated at the time of moving into that Tier. Areas that agreed collective payments (eg to a Mayoral Combined Authority or Upper Tier Local Authority) will have those arrangements honoured).

### **Grants provision prior to 5<sup>th</sup> November**

Guidance and FAQs will deal with how different types of area will transition from the pre 5<sup>th</sup> November grants provision to the national provision that starts 5<sup>th</sup> November.

#### *Local Restrictions Support Grant (Open)*

Local authorities in LCAL High (Tier 2) in any period from 1<sup>st</sup> August – 4<sup>th</sup> November will receive an allocation to pay Local Restrictions Support Grant (Open) grants for the period they spent in this tier. Each Local Authority will receive a formula-based allocation for each full or part four-week in LCAL High. This funding allows each Local Authority to run a discretionary grant scheme to support those businesses impacted by the LCAL High restrictions. This scheme also applies when an area is in LCAL Very High (Tier 3).

#### *Local Restrictions Support Grant (Closed)*

Local Authorities in LCAL Very High (Tier 3) will receive an allocation to pay LRSG(C) for the time they have been in Tier 3. Local Authorities must make grant payments to businesses that have to close, with grants of up to £3,000.

#### *Local Restriction Support Grant (Sector)*

Businesses that were required to close in March and which have never been able to re-open (for example nightclubs) will be paid grants of up to £3,000 for every four-week period that they have to remain closed. There is no back-dating of the scheme, it began 1<sup>st</sup> November 2020.

For the avoidance of doubt, when national restrictions are imposed by Government and 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 conditions set out in an addendum.

### **Further communications and products**

We are working on guidance, allocation amounts, Grant Offer Letters, FAQs, assurance and monitoring and evaluation arrangements.

The products and communications you can expect to see this week are set out below.

Please contact us in the normal way using [businessgrantfunds@beis.gov.uk](mailto:businessgrantfunds@beis.gov.uk) so we can respond to your query as soon as possible.

Thank you for your continued support.

Product type	Product	Coverage	Notes	Day expected
<b>Communication</b>				
	Meeting of Advisory Group			Tuesday 3 <sup>rd</sup>
	Email to all local authorities	Summary of arrangements for national lockdown and period before		Tuesday 3 <sup>rd</sup>
	Live Stream			Wednesday 4 <sup>th</sup>
	Meeting of Advisory Group			Friday 6 <sup>th</sup>
	Live stream			Monday 9 <sup>th</sup>
<b>Guidance</b>				
	<b>Guidance note on how LRSG(C), ARG, LRSG(S) and LRSG(O) will apply 5<sup>th</sup> Nov – 2<sup>nd</sup> Dec</b>	National	Will be referred to as the “Addendum”, will need to ensure guidance appears in appropriate order on ,gov	Tuesday 3 <sup>rd</sup>
	LRSG(C)	Tier 3		Tuesday 3 <sup>rd</sup>
	ARG	Tier 3		Tuesday 3 <sup>rd</sup>
	LRSG(O)	Tier 2 and 3		Tuesday 3 <sup>rd</sup>
	LRSG(S)	National		Tuesday 3 <sup>rd</sup>
	Guidance for businesses	Summary of all the above		Wednesday 4 <sup>th</sup>
FAQs version 1	All schemes			Monday 9 <sup>th</sup>
<b>Allocations and Grant Offer Letters</b>				

	5 <sup>th</sup> November onwards LRSG(C) and ARG	National	Spreadsheet of draft allocations	Wednesday 4 <sup>th</sup>
	5 <sup>th</sup> November onwards LRSG(C) and ARG	National	Grant Offer Letters	Friday 6 <sup>th</sup>
	Pre 5 <sup>th</sup> November LRSG(O) and LRSG(C)	Tier 2 and Tier 3 only	Grant Offer Letters	Friday 6 <sup>th</sup>
	LRSG(S)	National	Grant Offer Letters, may be combined with LRSG(C) Grant Offer Letter (but allocations will cover 1-4 Nov)	Friday 6 <sup>th</sup>
<b>Payments</b>				
	5 <sup>th</sup> November onwards LRSG(C) and ARG	All local authorities	Where possible we will combine payments to reduce the number of transactions	On or around Wednesday 11 <sup>th</sup>
	Pre 5 <sup>th</sup> November LRSG(O) and LRSG(C)	Tier 2 and Tier 3 only		Friday 13 <sup>th</sup>
	LRSG(S)	National		Friday 13 <sup>th</sup>