



Department for
Business, Energy
& Industrial Strategy

Local Restrictions Support Grants and Additional Restrictions Grant – Frequently Asked Questions (FAQ)

Extended – Issue 3

Effective from Wednesday 2 December 2020



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About this document

On Monday 23 November, the Government's COVID-19 Winter Plan was published, with changes announced to the Tier system.

See announcement: <https://www.gov.uk/government/news/prime-minister-publishes-covid-winter-plan>

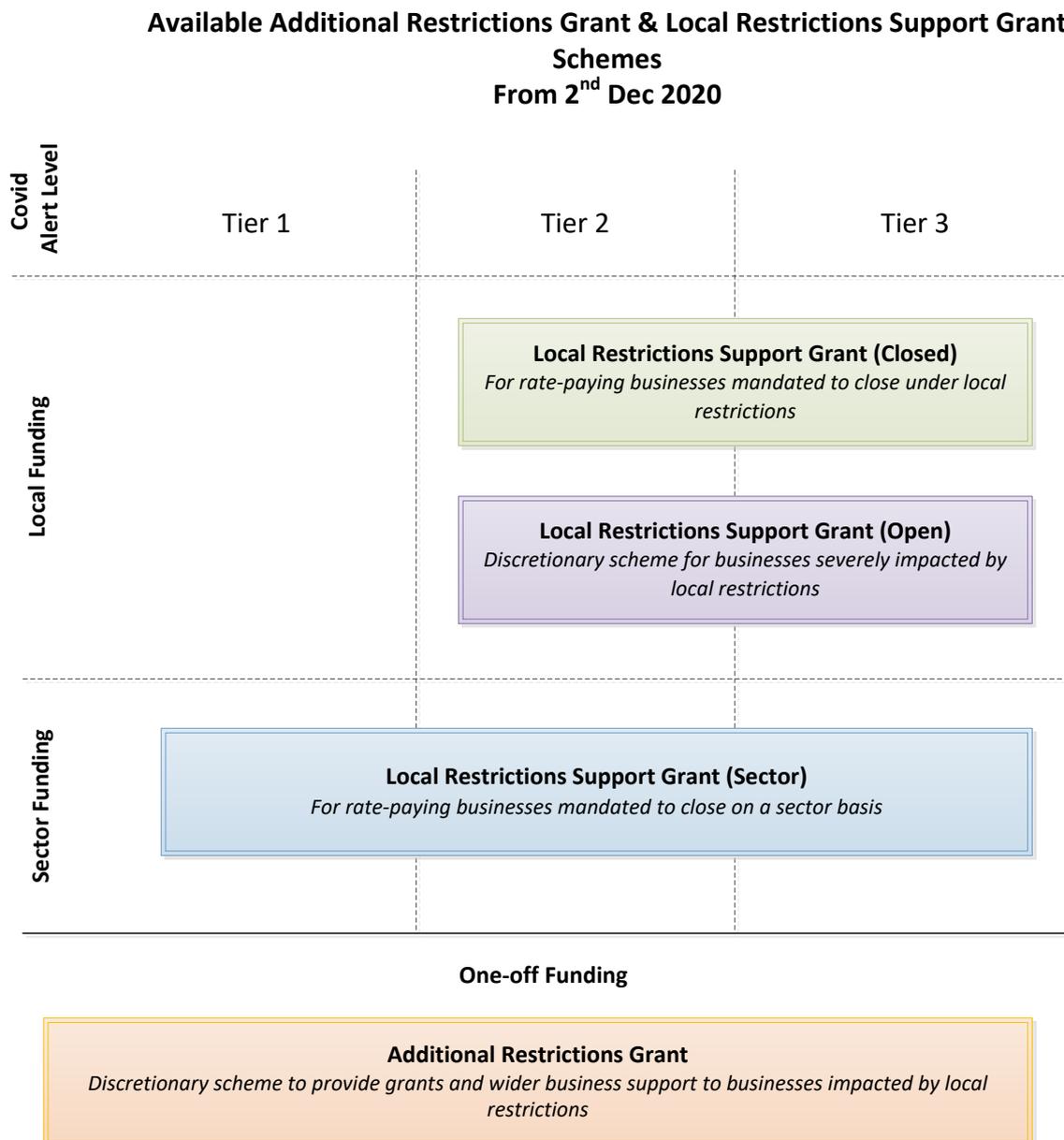
The Local Restrictions Support Grants (Closed) and (Open) are impacted by these changes to the Tier system.

This document is aimed at Local Authorities to provide answers to Frequently Asked Questions regarding the impact the new Tier system has on the LRSG and ARG schemes.

For further information on business support, visit: www.gov.uk/coronavirus/business-support

General

1. Following the latest tiering policy changes, what Local Restrictions schemes are now available? (See below diagram)



2. Will the other FAQs documents sent to Local Authorities remain relevant?

This Extended FAQs Issue 3, effective from 2 December 2020, will highlight any updates and amendments where the new Tier structure has impacted eligibility for the schemes.

The previous Frequently Asked Questions are still relevant for LRSG (Closed), LRSG (Open), LRSG (Closed) Addendum, LRSG (Sector) and the Additional Restrictions

Grant. Details on fraud, monitoring and evaluation, as well as State aid remain the same.

3. Will more FAQs be circulated considering the latest tiering policy changes?

Further FAQs will be circulated in due course.

4. Will new Local Authority and business guidance be published to reflect the latest tiering policy changes?

Yes, new versions of the Local Authority guidance and business guidance have been published on GOV.UK for the LRSG (Closed) and LRSG (Open) schemes.

Local Authority guidance: <https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>

Business guidance: <https://www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19#support-for-businesses-affected-by-coronavirus-restrictions>

5. Does the 5-day relaxation of local restrictions during the Christmas period mean that grant payments will be paused during this time?

No, the temporary relaxation of restrictions will not impact grant allocations or business eligibility for the schemes.

Local Restrictions Support Grant (Closed)

6. What has changed in the LRSG (Closed) scheme as a result of changes to the tiering system?

Under the updated LRSG (Closed) guidance, some businesses that are subject to Tier 2 restrictions will now be eligible for a grant under this scheme since they are now required to close. It is expected that Local Authorities will provide local businesses with grant funding as soon as possible once they become eligible for each payment cycle. LRSG (Closed) grants no longer have to be paid in arrears.

7. Is there a new date businesses need to have started trading by to receive a LRSG (Closed) Grant?

Eligible businesses must have reopened after the first national lockdown and must have been trading the day before local restrictions came into force, except where interrupted by a further period of national restriction.

8. Are gyms and leisure centres eligible to receive grants through this scheme?

No, gyms and leisure centres under the new LRSG (Closed) are not eligible because they are not required to close under the new Tier system. These businesses may be able to receive a grant through the LRSG (Open) scheme at the Local Authority's

discretion.

9. If gyms or other fitness businesses choose to close in Tier 3 because they cannot run classes, are they eligible for LRSG (Closed)?

Where a gym or similar fitness-based business (e.g. dance studios, yoga studios etc.) mainly depend on running classes, they can choose to close and access LRSG (Closed) in Tier 3 areas.

10. Is there a new payment cycle for grant payments and eligibility under this new LRSG (Closed) scheme?

Yes, the eligibility period will reset and begin from 2 December 2020. Funding will be provided to Local Authorities for 14-day periods depending on eligibility from this date.

11. What is the process for Local Authorities receiving the funding and payments being made?

Funding will be provided to Local Authorities on a case-by-case basis under a Section 31 payment accompanied by a Grant Offer Letter. It is expected that Local Authorities will provide local businesses with grant funding as soon as possible once they become eligible for each payment cycle. Businesses no longer have to be paid in arrears.

12. If a business must have been closed for at least 14 days, does this mean grants will be paid at the end of the closure period?

No, Local Authorities will be authorised to award grants at the start of a mandated 14-day period of local restrictions resulting in business closure. Any follow-up grant would be awarded upon the start of a further 14-day closure period.

Local Authorities will need to provide grant funding to businesses in 14-day tranches in order to capture businesses in payment cycles and not to create multiple scheme-entry points. Businesses that close in the middle of a payment cycle will not become eligible for the scheme until they enter the next 14-day payment cycle.

13. How will the funding totals for Local Authorities be calculated?

Government will provide an initial allocation to Local Authorities, calculated at 80% of internal estimates of the number of eligible businesses in scope of LRSG (Closed). Once this funding has been allocated by Local Authorities to businesses, any additional funding required to support closed businesses will be topped up by Government.

14. Are businesses where their main indoor service is required to close but are able to open outdoor services eligible for LRSG (Closed)?

If the main service of the business is mandated to close, then the business is eligible for LRSG (Closed).

15. Are businesses that are not required to close but are unable to continue operating due to social distancing rules eligible for LRSG (Closed)?

These businesses will not be eligible for LRSG (Closed) but they may be eligible for the LRSG (Open) because they have been severely impacted. The decision to award a grant will be at the discretion of the Local Authority.

16. If a nightclub or sexual entertainment venue has repurposed as a bar, which is then mandated to close under local restrictions, are they eligible for LRSG (Closed) or LRSG (Sector)?

If a business has repurposed and then that business has been mandated to close, then that business would be eligible for LRSG (Closed) funding, subject to meeting all eligibility criteria. The business would no longer qualify for LRSG (Sector) as it has changed its primary purpose.

17. Are hotels in Tier 3 areas eligible for LRSG (Closed)?

Yes, hotels, or other accommodation providers, are eligible for LRSG (Closed) in current Tier 3 areas as leisure travel is banned in Tier 3. They would not be eligible in Tier 2 areas but may be able to receive LRSG (Open) at the Local Authorities discretion.

18. Who can Local Authorities contact with questions over specific business closures?

Local Authorities may consult the GOV.UK website on business and venue restrictions, available here: <https://www.gov.uk/government/publications/further-businesses-and-premises-to-close/closing-certain-businesses-and-venues-in-england>.

The COVID-19 business support website may also be helpful for Local Authorities: <https://www.gov.uk/coronavirus/business-support>

Local Restrictions Support Grant (Open)

19. What has changed with the LRSG (Open) scheme as a result of changes to the tiering system?

Under the updated LRSG (Open) guidance, the eligibility cycle tranches have changed from every 28 days to every 14 days.

Local Authorities can determine the payment schedule and timings for these grants to businesses. However, we strongly encourage Local Authorities to do all they can to make payments as quickly as possible in order to help businesses in need.

The allocation calculation for LRSG (Open) has been adapted to reflect the new Tier system.

20. What is the process for Local Authorities receiving the funding and payments being made?

Funding will be provided to Local Authorities on a case-by-case basis under a Section 31 payment accompanied by a Grant Offer Letter. It is expected that Local Authorities will provide local businesses with grant funding as soon as possible once they become eligible for each payment cycle.

21. How will the funding totals for Local Authorities be calculated?

LRSO (Open) allocations are calculated using Valuation Office Agency (VOA) SCAT code data¹ on the number of hospitality, accommodation and leisure businesses in that Local Authority geography that have not been required to close, including a 5% top-up. Where this methodology indicates a value of less than 6% of the estimated LRSO (Closed) scheme, the LRSO (Open) scheme allocations will be increased to 6% of the estimated LRSO (Closed) scheme.

22. How much funding should be provided to businesses?

Government has announced the following funding tiers as a guide for Local Authorities. We would anticipate that Local Authorities provide grant funding under the following tiers, unless there is a local economic need to deviate:

- Grants of £467 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions.
- Grants of £700 per 14-day period for businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions.
- Grants of £1,050 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £51,000 or above on the date of the commencement of the local restrictions.

This allocation will not be supplemented. Local Authorities can exercise their discretion and alter the amount of funding offered to a business if they feel they have good reason to do so.

Local Restrictions Support Grant (Closed) Addendum

23. What has changed in the LRSO (Closed) Addendum scheme as a result of changes to the tiering system?

LRSO (Closed) Addendum grants were originally for a 28-day period of national lockdown (5 November – 3 December). National lockdown now ends on 2 December, after 27 days. This will not impact the grants that Local Authorities make to business and will not change any allocations for this scheme.

¹ Operational code used by the VOA to classify a property's use for administrative purposes.

New payment cycles for LRSO (Open) and LRSO (Closed) will begin on 2 December, to align payment cycles with review dates for the new Tier system.

The LRSO (Closed) Addendum scheme ends on 2 December.

Local Restrictions Support Grant (Sector)

24. What has changed with the LRSO (Sector) scheme as a result of changes to the tiering system?

There have been no changes made to the LRSO (Sector) scheme as a result of changes to the tiering system following national lockdown.

Additional Restrictions Grant (ARG)

25. What has changed with the ARG scheme as a result of changes to the tiering system?

There have been no changes made to the ARG scheme as a result of changes to the tiering system following national lockdown.