



Department for
Business, Energy
& Industrial Strategy

Local Restrictions Support Grants (Closed) Addendum – Tier 4

Guidance for Local Authorities (updated 4
May 2021)

Local Restrictions Support Grants - (Closed) Addendum Tier 4

1. Local restrictions refer to legally binding restrictions imposed on all Local Authority areas in England in response to the threat posed by coronavirus.
2. When local restrictions are imposed by Government at Tier 4 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coronavirus, then Local Restrictions Support Grant (Open) and (Sector) will cease to apply, and LRSG (Closed) will be superseded by the conditions set out in this addendum. Businesses will not be eligible for multiple versions of the Local Restrictions Support Grant under Tier 4 restrictions.
3. Local Authorities in Tiers 2 and 3 prior to moving to Tier 4 on the 20th December 2020 for a period of more than 1 day and who thus triggered the Local Restrictions Support Grant (Open) and Local Restrictions Support Grant (Closed) at the rates paid for Tier 2 and/or Tier 3 will receive pro-rata payments for the period between the 16th and 19th December.
4. Local Authorities in Tier 3 for one day prior to moving to Tier 4 (e.g. they moved to Tier 3 on the 19th December) will be provided Local Restrictions Support Grant (Closed) Addendum Tier 4 from the 19th December.
5. Local Authorities in Tiers 2 and 3 prior to moving to Tier 4 will receive a pro-rata payment for the period prior to the 20th December under the Local Restrictions Support Grant (Sector), to support eligible nightclubs and sexual entertainment venues. This grant allocation will then be included in the Local Restrictions Support Grant (Closed) Addendum Tier 4 to be able to continue to support those businesses.
6. Payment of Local Restrictions Support Grant (Closed) Addendum Tier 4 will be paid on a 14-day payment cycle. The exception to this is those areas that were in Tier 2 or 3 for only 1 day prior to moving to Tier 4 who will receive an initial 15-day allocation (as if they had been in Tier 4 on 19th December).
7. This funding will be provided on a rolling 14-day basis for as long as Tier 4 restrictions apply, in line with the grant offer letter sent to Local Authorities (using a grant under section 31 of the Local Government Act 2003).
8. Businesses that are eligible are those that have been mandated to close by Government and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses.
9. Businesses must have been trading the day before national restrictions came into force to be eligible to receive funding under this scheme.

10. For the purposes of this grant scheme, a business is considered to be trading if it is engaged in business activity. This should be interpreted as carrying on a trade or profession, or buying and selling goods or services in order to generate turnover. Fully constituted businesses in liquidation, dissolved, struck off or subject to a striking-off notice are not eligible under these conditions.

To help further, some trading indicators are included below that can help assess what can be defined as trading for the purposes of the grant schemes. Indicators that a business is trading are:

- The business has staff on furlough
- The business continues to trade online, via click and collect services etc.
- The business is not in liquidation, dissolved, struck off or subject to a striking-off notice or under notice
- The business is engaged in business activity; managing accounts, preparing for reopening, planning and implementing COVID-safe measures

This list of indicators is not exhaustive and Local Authorities must use their discretion to determine if a business is trading.

11. Where Local Authorities have previously rejected applications from businesses that were not open, but can be considered to have been trading, Local Authorities are asked to revisit these applications and pay these businesses retrospectively.

12. Each eligible Local Authority will be issued funding allocations that will be calculated using Valuation Office Agency (VOA) data, based on the categories of business relevant to the closures imposed by Government, and monitored with Local Authorities using DELTA. This is to provide each eligible Local Authority with an allocation based on a consistent approach that reflects the businesses closed by national restrictions. If the allocation proves insufficient for all eligible businesses, top-up funding will be provided.

13. The thresholds that apply to LRSG (Closed) apply to this addendum:

- a. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the widespread national restrictions will receive a payment of £667 per 14-day qualifying restriction period.
- b. Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the widespread national restrictions will receive a payment of £1,000 per 14-day qualifying restriction period.
- c. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restrictions, will receive £1,500 per 14-day qualifying restriction period.

14. On 5 November 2020, when new national restrictions were imposed by Government, all Local Authorities were provided with a one-off payment of Additional Restrictions Grant (ARG), apart from those that had triggered a payment of ARG before 5 November on moving to Tier 3 local restrictions (see ARG guidance, paragraph 11). Local Authorities are only eligible to receive funding through the ARG once in the 20/21 Financial Year, but the funding can be used in Financial Years 20/21 and 21/22. There will thus be no additional allocations of ARG when Local Authorities move to Tier 4 local restrictions.
15. When a Local Authority moves into Tier 2 or Tier 3 again, they will again be eligible to receive support consistent with their LCAL. Local Authorities would then be subject to the conditions of that scheme, including the eligibility date starting from the first full day of re-entry into that LCAL and the 14-day payment cycle.
16. Local Authorities will receive 90% of the estimated grant funding at the point of entry of the first 14-day period of Tier 4 local restrictions. When this threshold of funding has been reached, Government will pay Local Authorities the further agreed funding. If further 14-day periods of Tier 4 closures elapse and Local Authorities have stabilised a list of businesses that are in scope, Local Authorities will receive the full requested funding from Government. To ensure efficiency and a smooth funding delivery process, unnecessary underspend should be avoided where possible.
17. The application closure date for this scheme is 31 March 2021 and final payments must be made by 14 May 2021.
18. All other conditions relevant to the Local Restrictions Support Grants apply, including insolvency, tax regulations, managing the risk of fraud, post-event assurance, monitoring and evaluation requirements and subsidy allowance conditions.