

Local Restrictions Support Grant (Tier 2)

What is the scheme?

We are providing additional funding to allow local authorities to support businesses in Tier 2 areas which are not legally closed, but which are severely impacted by the restrictions on socialising. The funding local authorities will receive will be based on the number of hospitality, hotel, B&B, and leisure businesses in their area, and will assume that these businesses receive grants equivalent to 70% of the grants for which legally closed businesses are eligible.

This would be equivalent to:

- For properties with an RV of £15k or under, grants of £934 per month
- For properties with an RV above £15k and below £51k, grants of £1,400 per month
- For properties with an RV of £51k or above, grants of £2,100 per month

It will be up to Local Authorities to determine what precise funding to allocate to each business – the above levels are only an approximate guide.

Local authorities will also receive a 5% top up amount to these implied grant amounts to cover other businesses that might be affected by the local restrictions, but which may not be in the business rates system.

This scheme will initially run until April, with a review point in January.

Who is eligible?

Local authorities have the freedom to determine the precise eligibility criteria for these grants in their local areas. The guiding principle for local authorities is to use the funding to support businesses which have not been legally required to close, but which are nonetheless severely impacted by reduced demand caused by Tier 2 restrictions on socialising.

How can businesses access the grants?

Grants will be administered by Local Authorities, and businesses are likely to need to apply to their local authority for support. It is up to local authorities to determine the payment schedule and timings for these grants.

What can businesses use the grants for?

Businesses can choose to spend the grants as they wish. We expect that many businesses will use the grants to cover high fixed property-related costs.

What about areas which have been living under Tier 2-equivalent restrictions for several months already? Will you help them?

Some areas have been subject to restrictions on socialising for several months, before the tiering system was introduced. Funding for these areas will be backdated until the point at which these restrictions began.