

MC2020/40734



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

135 Eastern Avenue  
Milton Park  
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08 December 2020

Dear Sue and Emily,

Thank you for your letter of 5 November to the Chancellor of the Exchequer about support for businesses amid the Covid-19 national lockdown. I am replying as the Minister responsible for this policy area.

The past few months have been a difficult and disorienting time for individuals and businesses across the country. The Government is very grateful for people's patience as it works to protect the NHS and save lives.

The Government recognises that businesses which are legally required to close due to national or local restrictions need additional support. This is why the Government announced the Local Restrictions Support Grant (Closed) scheme. This will provide businesses required to close with grants of up to £3,000 per four-week closure period. Nearly 90% of all small and medium retail, hospitality and leisure businesses in England will have their assumed rents covered in full by the grants from this scheme.

The Government also recognises that in areas where restrictions on socialising have come into force over the past few months, many businesses in the hospitality, leisure, and accommodation sectors which have been able to remain open will have been affected by a severe reduction in demand. The Government is providing funding to affected Local Authorities (LAs) to enable them to make payments of up to £2,100 to businesses which were in this

situation. These payments were backdated to 1<sup>st</sup> August in affected areas, and will now continue in Tier 2 and 3 areas.

As you reference, all LAs in England have received additional funding to support their local economies. The Additional Restrictions Grant is a one-off payment, worth £20 per head of population. This is a total of £1.1 billion across England.

LAs have a large degree of discretion in how to spend the Additional Restrictions Grant. LAs are encouraged to use this to set up a discretionary grant scheme, for example for those businesses who are affected by closures but which are not legally closed themselves. This can include support for businesses outside the business rates system, the self-employed, and others. However, LAs can also use this funding to support businesses indirectly including by providing additional guidance and support for businesses in their areas. This is a one-off payment to give certainty and flexibility.

Further guidance on the Additional Restrictions Grant scheme, including FAQs, has now been published and can be found online at:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/935130/additional-restrictions-grant.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935130/additional-restrictions-grant.pdf).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jesse'.

**RT HON JESSE NORMAN MP**