



Briefing note – Lockdown Grants

Lockdown Grants – additional help for businesses

Following the announcement of a third lockdown period for England, and further lockdown periods in the devolved nations of the UK, Rishi Sunak has introduced £4.6 billion in new lockdown grants in an attempt to further support businesses.

Which businesses will benefit?

The support will be focussed upon businesses in the retail, hospitality and leisure sectors. These sectors have been amongst the hardest hit, and for some of the affected businesses in certain regions this newly announced lockdown will mark the fourth time that they have been forced to close their doors in less than 12 months.

The new one-off lockdown grants will be worth up to £9,000 per property, and are designed to help businesses last through to the spring.

Of the £4.6bn, a £594 million discretionary fund for local councils to distribute has also been made available to support other impacted businesses outside of those key sectors.

How will the grants work?

The grant cash is provided on a per-property basis, granted to closed businesses as follows:

- £4,000 for businesses with a rateable value of £15,000 or under
- £6,000 for businesses with a rateable value between £15,000 and £51,000
- £9,000 for businesses with a rateable value over £51,000

The new lockdown grants are in addition to the previously announced £1.1 billion of further discretionary grant funding for Local Authorities for them to distribute, the popular Furlough Scheme, and the Local Restriction Support Grants (which were worth up to £3,000 per month). Businesses in the retail, hospitality and leisure sectors are also still eligible for 100% business rates relief.

Businesses that wish to be considered for discretionary grant monies should apply to their Local Authorities.

The devolved Governments in Scotland, Wales and Northern Ireland will also receive additional sums. For more information visit: <https://www.gov.uk/>

Broadstone view

Although more restrictions were not entirely unexpected, many businesses will have greeted the news of yet another forced closure with dismay. Even resilient businesses have had their operations and cashflow challenged over the past 12 months, and there seems little immediate relief in the pipeline until vaccine programmes are successfully delivered more widely.

Coming in addition to the Furlough Scheme extension until the end of April 2021, these additional financial support measures will be welcomed by many businesses. Whilst in its own right this is a relatively small additional support package (compared to the costs of other financial interventions), when taken in combination with the other safety net measures already announced this additional help is likely to assist in securing the survival of more businesses to the spring, and therefore safeguard more jobs. Although with the roll out of vaccinations needing to increase quickly it is highly likely that more support measures will be needed later in 2021.

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