

Ministers announce new grants for businesses affected by local lockdowns

- scheme provides a safety net to further protect jobs where a business is required to close
- comes in addition to billions of pounds of existing loans, grants and tax breaks as well as the Chancellor's Plan for Jobs

Ministers have today announced new funding to support businesses impacted by Covid 19.

Businesses in England required to close due to local lockdowns or targeted restrictions will now be able to receive grants worth up to £1,500 every three weeks, Chief Secretary to the Treasury Steve Barclay told MPs today. To be eligible for the grant, a business must have been required to close due to local Covid 19 restrictions. The largest businesses will receive £1,500 every three weeks they are required to close. Smaller businesses will receive £1,000.

Payments are triggered by a national decision to close businesses in a high incidence area. Each payment will be made for a 3 week lockdown period. Each new 3 week lockdown period triggers an additional payment.

Chief Secretary to the Treasury Steve Barclay said:

These grants provide businesses with a safety net as they temporarily close their doors to help save lives in their local areas.

As local economies eventually and carefully re-open after local interventions, our Plan for Jobs is there waiting to help businesses get back on their feet, protect jobs and thrive in the future.

Business Secretary Alok Sharma said:

No business should be punished for doing the right thing, which is why today's package will offer additional breathing space for businesses that have had to temporarily close to control the virus.

Through our wider Plan for Jobs, we will continue to back our innovators and job creators across the country who are playing a critical role as we build back better from the pandemic.

Speaking in the House of Commons, Barclay also reiterated the recent commitment to roll-out additional payments for people on low incomes who are required to self-isolate in areas with high levels of Covid-19.

Currently these payments are available in Blackburn with Darwen, Pendle, and Oldham as part of an ongoing trial scheme.

This targeted support is in addition to businesses eligibility for the Government's existing schemes of support to businesses which remain available to impacted companies. This includes the Coronavirus Job Retention Scheme, which has supported the wages of 9.6 million people so far, government backed loans and business grants worth up to £25,000 per property.

This help will also support local jobs dependent on impacted businesses, complementing the Chancellor's Plan for Jobs.

Other measures announced to protect, support and create jobs include the Eat Out to Help Out scheme, cutting VAT for tourism and hospitality by 15%, a £2 billion Kickstart Scheme, which has opened for applications, and an £8.8 billion investment in new infrastructure, decarbonisation and maintenance projects.

Notes

- any businesses still closed at a national level (e.g. nightclubs), will not be eligible
- if a business occupies a premises with a rateable value less than £51,000 or occupy a property or part of a property subject to an annual rent or mortgage payment of less than £51,000, it will receive £1000
- if a business has a rateable value more than £51,000 or part of a property subject to an annual rent or mortgage payment of more than £51,000, it will receive £1500
- Local authorities will also receive an additional 5% top up amount of business support funding to enable them to help other businesses affected by closures which may not be on the business rates list. Payments made to businesses from this discretionary fund can be any amount up to £1500, and may be less than £1000 in some cases.
- Local authorities will be responsible for distributing the grants to businesses in circumstances where they are closed due to local interventions
- further eligibility criteria may be determined by Local authorities
- as with other Covid business grants, local grants to closed businesses will be treated as taxable income
- The UK Government has guaranteed that the devolved administrations will receive at least £12.7 billion on top of their March Budget settlements to help them with their response to Covid-19 this year, with £6.5 billion for the Scottish Government, £4.0 billion for the Welsh Government and £2.2 billion for the Northern Ireland Executive. The Barnett formula will apply in the usual way to any additional funding provided to departments in relation to this intervention.
- for further information on payments to individuals self-isolating please see [here](#).