

AGENDA FOR THE EXECUTIVE

Date: Tuesday, 26 January 2021

Time: 5.00 pm

Venue: Microsoft Teams Virtual Meeting

Executive Members:

Councillor S D T Woodward, Policy and Resources (Executive Leader)

Councillor T M Cartwright, MBE, Health and Public Protection (Deputy Executive Leader)

Councillor F Birkett, Housing

Councillor Miss S M Bell, Leisure and Community

Councillor S D Martin, Planning and Development

Councillor M J Ford, JP, Streetscene

1. Apologies for Absence

2. Declarations of Interest

To receive any declarations of interest from members in accordance with Standing Orders and the Council's Code of Conduct.

3. Deputations

To receive any deputations, of which notice has been lodged.

Matters for Decision in Public

Note: Where an urgent item of business is raised in accordance with Part 3 of the Constitution, it will be considered with the relevant service decisions as appropriate.

4. Policy and Resources

Key Decision

(1) Local Restrictions Supports Grants (Open) Scheme (Pages 3 - 20)

A report by the Deputy Chief Executive Officer.



P GRIMWOOD
Chief Executive Officer

www.fareham.gov.uk

18 January 2021

**For further information please contact:
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FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 26 January 2021

Portfolio:	Policy and Resources
Subject:	Local Restrictions Supports Grants (Open) Scheme
Report of:	The Deputy Chief Executive Officer
Corporate Priorities:	Maintain and extend prosperity A dynamic, prudent and progressive Council

Purpose:

To approve the Local Restrictions Supports Grants (Open) Scheme (LRSG-O) for Fareham Borough Council.

Executive summary:

The Council has been allocated funding by the government to be used to implement a Local Restrictions Support Grants (Open) Scheme. This scheme will support local businesses severely impacted when the Borough is placed in Tier 2 or Tier 3 restrictions in response to the Covid-19 pandemic. The local authority has some discretion on how these funds are used.

This report therefore seeks approval for the proposed LRSG-O scheme for this Borough.

Recommendation/Recommended Option:

It is recommended that:

- (a) the Local Restrictions Support Grant (Open) Scheme, attached as **Appendix B** to this report, is approved for adoption in Fareham; and
- (b) authority is delegated to the Deputy Chief Executive Officer, following consultation with the Executive Member for Policy and Resources, to approve and implement any further Covid-19 support schemes for businesses, which the government requests the Council to deliver, but which have a discretionary element as to who are the recipients of that support, and what support they receive.

Where the Deputy Chief Executive Officer considers it in the best interests of the local economy to deviate significantly from the government guidance on their preferences as to who are the recipients of that support, and what support they receive, the proposed scheme will first be reported to the Executive Committee for decision.

Reason:

The proposed LRSG-O scheme attached as **Appendix B** is in line with the Governments' preferences set out in their guidance documents. The discretionary elements in the scheme seek to maximise the number of businesses in the Borough that will be helped by this funding, without making the application process too burdensome for businesses or too slow to administer. Where, possible it matches criteria already being used in the Additional Restrictions Grant Scheme.

There may also be future discretionary grant schemes which the Council is required to administer. Delegated authority will allow these schemes to be up and running more quickly and get the money out to businesses who now desperately need it.

Cost of proposals:

The Council has received **£177,815** which is 80% of the funds available for the eligible period from 2 December to 18 December. Further allocations will be provided to cover the period for 19 December to 25 December, any future period of Tier 2 and Tier 3 restrictions and the additional 20%, if needed.

However, these allocations will not be subject to a top-up if the Council was to exceed its 100% allocation for each period of restriction.

New Burdens funding will also be provided to help meet the administration costs in delivering the Local Restrictions Support Grants (LRSG) Schemes. However, the value of this is currently unknown.

Appendices:

A: [Current Business Support Schemes](#)

B: Proposed Local Restrictions Supports Grants (Open) Scheme (separate document)

Background papers: None

Reference papers:

Department for Business, Energy & Industrial Strategy: Local Restrictions Support Grant (Open) Version 2: Applicable 2 December onwards: Guidance for Local Authorities *02 December 2020*

Department for Business, Energy & Industrial Strategy: Local Restrictions Support Grants (Open): Frequently Asked Questions (FAQ) *09 November 2020*

Department for Business, Energy & Industrial Strategy: Compiled Frequently Asked Questions (FAQs): Local Restrictions Support Grants (LRSG), Additional Restrictions Grant (ARG), Christmas Support Payment for wet-led pubs (CSP): Effective from Wednesday 2 December 2020 *17 December 2020*

Report to the Executive Committee on 07 December 2020 on the Additional Restrictions Grant Scheme

Report to the Executive Member for Policy and Resources on 02 June 2020 on the Discretionary Business Grant Scheme

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	26 January 2021
Subject:	Local Restrictions Supports Grants (Open) Scheme
Briefing by:	The Deputy Chief Executive Officer
Portfolio:	Policy and Resources

INTRODUCTION

1. On 14 October the Government introduced a three-tier alert system in response to the continued Covid-19 pandemic. This imposed restrictions to areas depending on which tier they were designated. This system has since been expanded to include Tier 4.
2. Additional funding, in the form of Local Restriction Support Grants (LRSG) has been made available to support businesses affected by the tier restrictions in their local area. These grant schemes are administered by the local authority.
3. The nature of the LRSG schemes vary depending on what tier the local area is in for any period of time. The schemes that are applicable for businesses in Fareham to date are given in the table below:

Dates	Restrictions in the Borough	LRSG Schemes available
5 Nov 2020 to 1 Dec 2020	National Lockdown	LRSG (Closed) Addendum
2 Dec 2020 to 25 Dec 2020	Tier 2	LRSG (Closed) LRSG (Open)
26 Dec 2020 to 4 Jan 2021	Tier 4	LRSG (Closed) Addendum Tier 4
5 Jan 2021 to date	National Lockdown	LRSG (Closed) Addendum

A summary of all these LRSG schemes, plus other mandatory and discretionary schemes that are currently applicable to the Borough, is also provided in [Appendix A](#).

4. All the LRSG (Closed) schemes are mandatory schemes set by the Government, in which the funding is only available to businesses that have been mandated to close by the Government, for that designated tier. However, the LRSG (Open) Scheme is subject to some discretion by the local authority.
5. This report therefore seeks to set the LRSG (Open) Scheme for this Borough. The proposed scheme is attached as **Appendix B**.

THE PROPOSED LRSG (OPEN) SCHEME

6. The LRSG (Open) Scheme aims to provide support for businesses that are not legally required to close but which are severely impacted by the localised restrictions on socialising put in place as part of the tier system.
7. The scheme is currently set to run until April 2021, with a review point in January 2021. It only applies when the local area is designated as Tier 2 or Tier 3.
8. Fareham Borough was placed on Tier 2 restrictions from 2 December to 26 December 2020 and therefore businesses in the Borough are eligible for funding under the Local Restrictions Supports Grants (Open) Scheme for this period. There may also be a further period of Tier 2 or Tier 3 restrictions after the current period of National Lockdown, during which this scheme would also apply.

Government Guidance (Preferences) for the Scheme

9. The Government has issued a number of guidance documents to help in the design of the local LRSG-O schemes and also to set out their preferences as to how the funding is used. Some of their preferences are mandatory and some are discretionary. The proposed scheme complies with the government's preferences particularly in relation to the following:
 - ✓ The scheme is aimed at businesses in the Borough in the hospitality, hotel, bed and breakfast and leisure sectors.
 - ✓ Businesses can not qualify for both LRSG (open) and LRSG (closed) grants
 - ✓ The value of the grants to be paid out are as per the Government guidance (which are based on the business's rateable value)
 - ✓ Businesses must have been actively trading on the day before the local restrictions came into force to be eligible (unless required to be closed).

Local Preferences for the Scheme

10. In addition to the above, the proposed scheme includes the following provisions which are at the local authority's discretion and are not in contradiction of the Government's preferences:
 - The scheme is only open to business rates payers.
 - Examples are included as an Appendix 1 of the policy as to what type of business would fall under the definition of "hospitality" and "leisure".
 - Businesses which are in the supply chain and whose primary customers are in the same sectors, would also be eligible for these grants.
 - The level of "severe" impact has been set as 15% of turnover for the comparable period in the previous year. This matches the definition set in the Additional Restrictions Grant scheme.

- The business must not have cash reserves which represent more than 6 months turnover.
11. The proposed policy also allows a business to be paid a grant under this scheme and also under the Additional Restrictions Grant scheme for the same period. This is because we do not currently know in what future periods this scheme will be applicable and these could overlap with a period of the Additional Restrictions Grant scheme which has been paid in advance.

OTHER DISCRETIONARY SCHEMES

12. There is another discretionary scheme (**Additional Restrictions Grants (ARG)**) available at the moment. The principles for this scheme were reviewed by the Committee on 7 December 2020. Tranches 1 and 2 of this scheme are now live and work has started to develop the wider support elements that were approved for this scheme. Further details are included in the summary table in [Appendix A](#).
13. Further funding of £1,032,504 has been allocated to the Council to top up the ARG scheme in response to the current period of lockdown. This will be added to the total ARG fund pot and used for further payments and sub-schemes which meet the principles set for this scheme.
14. As the government is having to adapt as the impact of the pandemic changes, there may be further discretionary schemes that the Council will be required to administer. It is therefore recommended that authority is delegated to the Deputy Chief Executive Officer, following consultation with the Executive Member for Policy and Resources, to approve and implement any further Covid-19 support schemes for businesses, which the government requests the Council to deliver, but which have a discretionary element as to who are the recipients of that support, and what support they receive.
15. However, if the Deputy Chief Executive Officer considers it in the best interests of the local economy to deviate significantly from the government guidance on their preferences as to who are the recipients of that support, and what support they receive, the proposed scheme will be first reported to the Executive Committee for decision.
16. This will allow the Council to respond more quickly to these schemes and get the money to the businesses that need it faster.

FINANCIAL IMPLICATIONS

17. The Council has received **£177,815** to date to fund the LRSG (Open) Scheme. This is 80% of the funds available for the eligible period from 2 December to 18 December.
18. The funding allocation has been calculated by the Government using Valuation Office Agency (VOA) SCAT code data on the number of hospitality, accommodation and leisure businesses in our Local Authority geography that have not been required to close, including a 5% top-up. Where this methodology indicated a value of less than 6% of the estimated LRSG (Closed) scheme, the LRSG (Open) scheme allocations have been increased to 6% of the estimated LRSG (Closed) scheme.

19. Further allocations will be provided to cover the period for 19 December to 25 December, any future period of Tier 2 and Tier 3 restrictions and the additional 20%, if needed. However, these allocations will not be subject to a top-up if the Council was to exceed its 100% allocation for each period of restriction.

Enquiries:

For further information on this report please contact Elaine Hammell. (Ext 4344)

CURRENT BUSINESS SUPPORT GRANT SCHEMES

Ref	Scheme	Who is this for?	What is the value of the grant?	How do I get the grant?
MANDATORY GRANTS (SCHEME DEFINED BY GOVERNMENT)				
LRSB (C) / A	Local Restrictions Support Grant (Closed) Addendum	<p>Businesses rates payers forced to close by the government during a National Lockdown</p> <p>Businesses required to close but still partially trading, for example, by adapting to takeaway, click and collect or online trading are still eligible</p>	£1,334, £2,000 or £3,000 every four weeks (based on the rateable value of the property)	<p>Application form on the Council's website</p> <p>Only 1 application needed for the first period of lockdown, after which payments will be automatically made.</p>
LRSB (C)	Local Restrictions Support Grant (Closed)	<p>Business rates payers forced to close by the government when the borough is in Tier 2 or Tier 3</p> <p>Businesses required to close but still partially trading, for example, by adapting to takeaway, click and collect or online trading are still eligible</p>	£667, £1,000 or £1,500 every two weeks (based on the rateable value of the property)	Payments automatically sent to recipients of LRSB (C) / A who also qualify for this grant
LRSB (C) / A T4	Local Restrictions Support Grant (Closed) Addendum Tier 4	<p>Business rates payers forced to close by the government when the borough is in Tier 4</p> <p>Businesses required to close but still partially trading, for example, by</p>	£667, £1,000 or £1,500 every two weeks (based on the rateable value of the property)	Payments automatically sent to recipients of LRSB (C) / A who also qualify for this grant

Ref	Scheme	Who is this for?	What is the value of the grant?	How do I get the grant?
		adapting to takeaway, click and collect or online trading are still eligible		
CSP	Christmas Support Payment for Wet-Led Pubs	<p>Pubs and Bars who derive more than 50% of their income from sales of drink</p> <p>Businesses must be liable for business rates, open to the general public and allow free entry</p>	One-off payment of £1,000	Application form on the Council's website. Closes 31/01/21
CBLP	Closed Business Lockdown Payment	<p>Business rates payers forced to close by the government during the National Lockdown commencing 5 January 2021</p> <p>Businesses required to close but still partially trading, for example, by adapting to takeaway, click and collect or online trading are still eligible.</p>	One-off payment of £4,000, £6,000 or £9,000 (based on the rateable value of the property)	Payments automatically sent to recipients of LRSG (C) / A who also qualify for this grant
DISCRETIONARY GRANTS (SCHEME DEFINED BY LOCAL AUTHORITIES)				
LRSG (O)	Local Restrictions Support Grant (Open) – as proposed in this report	<p>Business rates payers severely impacted when the borough is in Tier 2 or Tier 3 from the following sectors:</p> <p>Hospitality, Hotel, Bed and Breakfast and Leisure</p> <p>Businesses in the supply chain where their primary customers are in these sectors are also included.</p>	£467, £700 or £1,050 every two weeks (based on the rateable value of the property)	Application form on the Council's website (not yet available)

Ref	Scheme	Who is this for?	What is the value of the grant?	How do I get the grant?
ARG T1	Additional Restrictions Grants Tranche 1	Businesses suffering a financial loss of at least 15% during the November 2020 National Lockdown and who are not eligible for a Local Restrictions Support Grant.	One off payment of £1,334, £2,000 or £3,000 depending on nature of the business's premises. Top up of £2,500 for businesses operating from domestic premises.	Application form on the Council's website
ARG T2 P1	Additional Restrictions Grants Tranche 2 Part 1	Businesses suffering a financial loss of at least 15% during the December 2020 Tier 4 restriction and January 2021 National Lockdown , and who are not eligible for a Local Restrictions Support Grant.	One off payment of £4,000, £6,000 or £9,000 depending on nature of the business's premises. Top up of £2,500 for businesses who are not rate payers but operate from commercial premises and who did not receive assistance under the previous discretionary scheme.	Payments automatically sent to recipients of ARG T1 who also qualify for this grant
ARG T1M	Additional Restrictions Grants for Market Traders	Businesses who actively trade at the Fareham or Portchester Markets	Varies depending on the frequency and cost of hiring the market stall between 14/12/20 to 31/03/21	Arranged via the Market Operator

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BOROUGH COUNCIL

Local Restrictions Support Grants (Open) Scheme (LRSG-O)

INTRODUCTION

In response to the Coronavirus pandemic, the Government announced there would be funding provided to Local Authorities to support businesses in their areas who were affected by the Tier System.

When an area is in Tier 2 or Tier 3, there are two grants which businesses may be eligible for:

- 1) The Local Restrictions Support Grant-Closed (LRSG-C) *or*
- 2) The Local Restrictions Support Grant-Open (LRSG-O)

Businesses eligible for the LRSG-C are those which are required to close when Tier 2 or Tier 3 restrictions are in place. This is a mandatory scheme.

Businesses eligible for the LRSG-O are those which are allowed to remain open but are severely affected due to Tier 2 or 3 restrictions. This is a discretionary scheme.

A business cannot be eligible for both grants simultaneously but could be eligible for LRSG-O whilst in Tier 2, and LRSG-C whilst in Tier 3.

If an area moves to Tier 4 or a National Lockdown is imposed, both the LRSG-C and LRSG-O grants are suspended, and a different scheme called LRSG-C (Addendum) replaces them.

Section 1 of the Localism Act 2011 provides all local authorities with the vires to make these payments.

This policy sets out the LRSG-O scheme for the Borough of Fareham. **It is aimed at hospitality, hotel, bed & breakfasts and leisure businesses.** It is also aimed at suppliers who have a significant proportion of their customer base from these industries.

Local Restrictions Support Grants (Open) Scheme (LRSG-O)

This grants scheme will apply from 2nd December 2020 and will run until the end of March 2021, unless the Council is directed otherwise when the Government carries out their review of the scheme (provisionally set for mid-January 2021).

Funding of the LRSG-O Scheme

This scheme will be funded by the government for each eligible period that the Borough is in Tier 2 or Tier 3. However, there will be no top-up available if the Council exceeds its funding allocation for each period of restriction. The scheme will therefore be administered on a first come first served basis.

Fareham Borough Council has received £177,815 in funding for the LRSG-O scheme so far for the period covering 2nd December 2020 to 18th December 2020. Further funding will be received to cover the period 19th December 2020 to 25th December 2020. Further funding is also likely to be available if the Borough is designated as Tier 2 or Tier 3 again before April 2021.

How much Grant will be paid under the LRSG-O Scheme?

These grants will be paid for each eligible 14-day period that the Borough is in a Tier 2 or Tier 3 restriction. The amount of the grant is based on the rateable value on the day of commencement of the local restrictions as summarised in the table below:

Rateable Value	Amount for each 14 days
£15,000 or less	£467
Over £15,000 and less than £51,000	£700
£51,000 or more	£1,050

A grant is payable for each premises located in the Borough which qualifies.

Who is Eligible for the LRSG-O Scheme?

To be considered for this funding a business must meet the following criteria:

a) Business relates to the Hospitality and Leisure Sector

The business's primary service is in the hospitality, hotel, bed & breakfast or leisure sectors. Examples of the types of business that do and don't fall within the definition for this scheme are listed in [Annex 1](#). This scheme also includes businesses in the supply chain where their primary customers, and hence a significant proportion of their turnover, are derived from these sectors.

Certain types of location are excluded, where they are not the intention of this scheme. The list which follows is not exhaustive: car parks, properties used for storage units, commercial properties used for domestic purposes.

b) Not eligible for Local Restriction Support Grant (Closed)

The business cannot be eligible for any type of Local Restriction Support Grant (Closed) for the same qualifying period.

c) Be a business ratepayer

The application must come from a party liable for business rates for a property in the Borough of Fareham on the day of the commencement of the local restrictions.

d) Be an Active Business

The business must:

- Have been open and trading on 01/12/2020 or subsequent qualifying dates (the day before local restrictions came into force)
- Business entities which may be recognised legally but exist as holding companies for property/assets/other companies etc. are not eligible.
- Not be dormant.
- Not be in liquidation, administration, insolvent or had a striking-off notice registered.

e) Demonstrate Severe impact

If the business was not forced to close, it must be able to demonstrate a loss of income or increased costs of at least 15% when comparing income during the period of the Tier 2 or 3 restrictions compared to the same time as the previous year.

If the business cannot demonstrate a loss of 15% compared to the prior year, they need to explain how they have suffered an adverse impact of the Tier 2 or 3 restrictions e.g. based on realistic growth projection or that they were not trading. Additional information may be required to confirm this position

The Business must not have cash reserves which represent more than 6 months turnover.

f) Must have employees/staff

The business must pay the staff through PAYE. If the staff received their income through dividends only, it is acceptable to class them as employees, provided they directly deliver goods/services (for example, they are a shopkeeper who predominantly works in the shop).

To avoid confusion: companies which are investment/holding companies rather than trading companies are not eligible, even if they do have staff.

The definition of 'staff' can include volunteers if the organisation is a charity, non-profit organisation, community interest company or similar.

g) Must not exceed state aid / subsidy control limits (see section below)

Applying for a Grant

Applicants must follow an application process which will be available on the Council's website for the period that the scheme is open for applications. For companies that have previously been paid a grant(s) by the Council, the application process will be streamlined to avoid duplication.

The Council reserves the right to make further enquiries to clarify or confirm the information provided in the application.

Assessment and Prioritisation of grants

All applications will be reviewed against the eligibility criteria and checked against information provided. Eligibility will be assessed by officers using information submitted via the application process and previous applications made where relevant. Various checks will be carried out including use of Companies House website, Northgate database, Spotlight and publicly available information such as Facebook and the business's webpages. The applicant will need to declare, via the application process, that they meet all the eligibility criteria.

The Council reserves the right to change the criteria of the scheme, including the amount of the grant, if it is likely to become oversubscribed or it becomes clear that the scheme may result in payments that were not intended.

Award of grant

All applicants will be contacted to be informed if grant has been awarded or declined with an explanation.

Payment of grant

All payments will be made via BACS (as soon as practicable) and the business must provide bank details for payment, including proof that the account is related to the business.

Tax

Grant income received is taxable therefore funding paid under any Local Authority discretionary grant should be declared for tax purposes.

State Aid / Subsidy Control

The United Kingdom left the EU on 31 January 2020. Fareham Borough Council must be satisfied that all State aid or subsidy requirements have been fully met and complied with when making grant payments.

Businesses must ensure that in accepting the grant they are complying with the latest government guidance on subsidy control which can be found at:

<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>.

Fraud

The council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money may face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.

All applicants' information will be shared with the Government Grants Management team to enable any fraud to be identified. The council will use tools available to confirm accuracy of applications and submitted data.

Applicants will need to make declarations within the application process, any application received without the declarations complete will be rejected.

Transparency

The Council reserves the right to publicise the names of businesses helped through this scheme.

Appeals

There are no further appeals rights for the grant, the Council's decision is final, however, we will review our decision if it is clear than an error was made in processing an application.

Examples of Types of Business Covered by this Scheme

FOOD

Cafes

Cafes/Restaurants within/part of specialist property

Caterers

Food Courts

Mobile concessions

Public Houses/Pub Restaurants

Restaurants

Takeaways

ACCOMMODATION

Caravan Parks

Guest and boarding houses

Holiday homes (Self-catering)

Hostels

Hotels

Serviced apartments

LEISURE

Bingo halls

Bowling alleys

Casinos and gambling clubs

Cinemas

Clubs and institutions

Concert halls

Conference and exhibition centres

Dance studios

Ferry landings

Fitness studios

Golf Course

Gyms
Museums and art galleries (continuously open)
Public halls
Soft play centres
Spa facilities and wellness centres
Sports and leisure centres
Sports and leisure centres within/part of specialist property
Squash courts
Swimming pools
Tennis centres
Theatres
Village halls, scout huts, cadet huts etc.

Examples of Types of Business Excluded by this Scheme

Beauty salons
Hairdressers/Barbers
Nail bars
Tattoo parlours

B&Bs who do not have their own rateable value

Event Planners
Travel agents / Tourism operators
Transportation companies

