

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 07 December 2020

Portfolio:	Policy and Resources
Subject:	Additional Restrictions Grant Scheme
Report of:	The Deputy Chief Executive Officer
Corporate Priorities:	Maintain and Extend Prosperity A dynamic, prudent and progressive Council

Purpose:

To approve the principles to be used for the design of the Additional Restrictions Grant (ARG) Scheme for Fareham Borough Council.

Executive summary:

The Council has been allocated funding by the government to be used for an additional restrictions grant scheme to support local economies and businesses adversely affected by restrictions resulting from the Covid-19 pandemic.

The funding can be used during 2020/21 and 2021/22 on business support grant schemes and wider support schemes. Local authorities have the discretion to determine how much funding to provide businesses and which businesses to target.

This report therefore seeks to establish the principles to be used for the design of this grant scheme.

Recommendation/Recommended Option:

It is recommended that:

- (a) the key principles to be followed when designing the Additional Restrictions Grant Fund Scheme, attached as Appendix A to this report, are 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 the individual elements of the scheme as they are designed.

Reason:

The principles have been drawn up to help design an ARG Scheme which maximises the benefit we can provide to businesses sooner, rather than later, help the local economy and follow the spirit of the government guidance.

As the number of eligible businesses are likely to exceed funding available, it is proposed to stagger the design and implementation of a number of different elements making up the scheme to be able to gain an understanding of the impact of the level of take up on the funding available. However, it is still intended to roll these out at a quickened pace which may be hampered if full executive committee approval is sought.

Cost of proposals:

The Council has been allocated **£2,324,660** to fund this scheme which has been calculated as £20 per head of population in the local authority area. This is a one-off lump sum and will not be subject to a top-up if the Council was to exceed this allocation.

New Burdens funding will also be available to help meet the administration costs in delivering the Scheme and the mandatory Local Restrictions Support Grants (LRSG) Scheme.

Appendices: A: Additional Restrictions Grants Scheme – Key Principles

Background papers: None

Reference papers: Department for Business, Energy & Industrial Strategy – Additional Restrictions Grant – Guidance for Local Authorities – November 2020

Department for Business, Energy & Industrial Strategy – Additional Restrictions Grant – Frequently Asked Questions (FAQ)

Department for Business, Energy & Industrial Strategy – Local Restrictions Support Grants and Additional Restrictions Grant – Frequently Asked Questions (FAQ) – Extended – Issue 1 and 2 – November 2020

Report to the Executive on 6 July 2020 – Local Authority Discretionary Grant Awards

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	07 December 2020
Subject:	Additional Restrictions Grant Scheme
Briefing by:	The Deputy Chief Executive Officer
Portfolio:	Policy and Resources

INTRODUCTION

1. On 31 October 2020, the government announced an additional business support scheme as the second national lockdown was planned from 5 November 2020 to 2 December 2020.
2. This Additional Restrictions Grant (ARG) Scheme is intended to support local economies and businesses that have been adversely impacted by national restrictions. Local authorities, however, have the discretion to determine how much funding to provide businesses and which businesses to target.
3. This scheme is additional to the Local Restrictions Support Grants (LRSRG) Schemes which were operating previously to support areas facing local restrictions, and the LRSRG (Closed) Addendum Scheme which is a mandatory scheme being delivered by all Councils during the second national lockdown.
4. The Council has been allocated funding of **£2,324,660** for the ARG scheme which can be used during 2020/21 and 2021/22. This report therefore seeks to agree the principles to be used when designing the ARG scheme for Fareham Borough Council.

PREVIOUS DISCRETIONARY GRANTS SCHEME

5. On 2nd June 2020, the Executive Member for Policy and Resources approved the first Discretionary Grants Scheme for the award of grants to businesses, as part of the wider support package announced by Government for businesses struggling with the impact of the COVID-19 pandemic at that time.
6. The government was more prescriptive on how and when the funding for this scheme could be used. It was aimed at small and micro businesses in the borough who were incurring property related costs and who had not been eligible for other government support packages such as the Small Business and Retail, Hospitality and Leisure Grants Fund.
7. This scheme ended on 30th September 2020. All funding received (**£1,019,000**) was

dispersed such that **150** individual businesses in the Borough benefited from the scheme by grants ranging from £2,500 to £10,000.

LOCAL RESTRICTIONS SUPPORT GRANT (CLOSED) ADDENDUM SCHEME

8. This scheme is currently live and grant payments are being made. The Council has received funding of **£1,500,360** for this scheme which equates to approximately **800** grants of £1,334, £2,000 and £3,000 depending on the rateable value of the property occupied.
9. The eligibility criteria for the scheme have been set by the government. Businesses are eligible for the grant if:
 - The business occupies business premises and is the ratepayer for that property.
 - The business was open and trading in the premises on the 4 November 2020.
 - The Government has forced that type of business to close during the lockdown period (e.g. restaurants, non-essential retail, hairdressers, sports and leisure facilities).
 - They do not exceed State Aid Limits.
10. Businesses that the Government has mandated to close their “main service” but who are partially open to provide an alternative service (such as takeaways, click and collect or home delivery) are also still eligible for the grant. The nature of their main service must be one of those listed by the government as having been forced to close in The Health Protection (Coronavirus, Restrictions) (England) (No. 4) Regulations.

GOVERNMENT GUIDANCE FOR THE ADDITIONAL RESTRICTIONS GRANT SCHEME (ARG)

11. The government has issued guidance to support local authorities in administering the ARG Scheme which sets out some of the following expectations of how the funding will be used:
 - Local authorities can split the allocation of funding between grants and wider business support activities. Businesses must, however, be the beneficiary of the scheme.
 - Local authorities are encouraged to support businesses that have been severely impacted by the restrictions but may not qualify under the LRSG scheme. However, funds from the ARG can be used to provide top-up grants to businesses that are in receipt of grants under other schemes. This includes larger local businesses which are important to the local economy.
 - If local authorities use ARG for direct business support grants, the same conditions of grant apply as for the LRSG (Closed) scheme.
 - Local authorities can use this scheme to support businesses outside of the business rating system, including home-working businesses, especially if they are effectively forced to close.
 - Any business grant scheme must be paid directly to the business.
 - Local authorities cannot use the schemes to offset existing or future business rates

liabilities or replace lost revenue as a direct payment to themselves or other property landlords, even if the payment would ultimately benefit businesses.

- The expectation of Government is that support arrangements are put in place quickly, so that severely affected businesses can receive support at the earliest opportunity.

PRINCIPLES FOR THE ADDITIONAL RESTRICTIONS GRANT SCHEME

12. The Council still has considerable discretion over the design of its ARG scheme and it is recommended that both business support grant schemes and wider support schemes are considered as part of the scheme design. Linkages between the scheme and the Economic Recovery Plan projects are also being explored.
13. Officers are currently carrying out data analysis of the businesses in the borough to understand who has and had not benefited from the previous grant schemes and who may have been impacted more by the local restrictions. It should be noted that there are approximately 3,000 properties liable for business rates in the borough. It is not currently known how many businesses are operating from premises not liable for business rates (e.g. shared offices, businesses run from home).
14. Officers are also exploring methods which can be used to quickly engage with local businesses to gather their ideas on what support schemes they would find most beneficial.
15. A set of overarching principles to be used for the design of the ARG scheme has therefore been drawn up for member approval as attached as Appendix A, with the aim of maximising the benefit to businesses sooner, rather than later, helping the local economy and following the spirit of the government guidance.
16. As with the previous discretionary grant schemes, the number of eligible businesses is likely to exceed funding available. It is therefore proposed to stagger the design of different elements of the scheme to be able to gain an understanding of the impact of the level of take up on the funding available. It is also therefore recommended that delegated authority be granted to the Deputy Chief Executive Officer, following consultation with the Executive Member for Policy and Resources, to approve each part of the scheme as it is designed, so that they can be implemented at a quickened pace.

Enquiries:

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