

FAREHAM

BOROUGH COUNCIL

Name of Grant	Additional Restrictions Grant (ARG) Scheme
Sub-section	Tranche 2
Part	2 – No November Loss
Abbreviation	ARG-T2P2
Start Date	01/04/2021
Final date for information/ evidence submission	31/05/2021
Final Payment Date	25/06/2021

INTRODUCTION

In response to the Coronavirus 4-week National Lockdown, ending on 02/12/2020, which was announced on 31/10/2020, the Government also announced there would be funding provided to Local Authorities to support businesses in their areas. The Additional Restrictions Grants Scheme (ARG) was announced alongside the Local Restrictions Support Grant.

ARG funds have been made available to support local economies and businesses that have been adversely impacted by imposed national restrictions, and in anticipation of future restrictions. Local Authorities, however, have the discretion to determine how much funding to provide businesses and which businesses to target.

Fareham Borough Council initially received £2,324,660 in funding for the ARG scheme. It had been stated that no additional funds would be awarded within the 2020/21 and 2021/22 financial years. However, an additional £1,032,504 was subsequently received as the ARG-Top Up in January 2021, increasing the fund total to £3,357,164. On 3 March 2021 the Government announced that a further £425 million would be made available for Local Authorities, through a conditional top-up to the Additional Restrictions from 1 April 2021. One of these conditions is that the original fund allocations are spent by 30 June 2021.

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

At the start of the scheme Fareham Borough Council adopted a set of principles which would underpin how the ARG funds would be used with starting allocations for the different parts of the scheme. These allocations have now been refreshed to reflect the trends in payments which have been made to date and the need to now spend the funds by 30 June 2021.

The table below shows the initial allocation of the funds and the latest proposals. It is still expected that there may be some movement of funding between the parts depending on the level of take up over the coming months.

Part of Scheme	Period Covered by Payment	Funding Allocated	
		Originally	Revised
First Tranche of Grants - General	5 Nov 20 to 1 Dec 20 plus Group 3 Top Up	£909,864	£601,000
First Tranche of Grants - Markets support	14 Dec 20 to 31 Mar 21	£20,000	£5,000
Second Tranche of Grants - General	26 Dec 20 to 19 Mar 21 plus Group 2 Top Up	£929,864	£1,035,000
Wider Support Schemes	April 2021 - March 2022	£464,932	
		£2,324,660	
ARG January Top-Up Unallocated		£1,032,504	
		£3,357,164	
Second Tranche of Grants - No November Loss	5 Nov 20 to 1 Dec 20 plus Group 3 Top Up 26 Dec 20 to 19 Mar 21 plus Group 2 Top Up		£200,000
Second Tranche of Grants - Taxi support	5 Nov 2020 to 1 Dec 2020 & 26 Dec 2020 to 11 Apr 2021		£475,000
Continued Support for Market Traders			£66,000
Required Contribution to LADGF scheme			£26,000
Third Tranche of Grants	20 Mar 21 to 16 May 21 plus Group 1 Top Up		£949,164
			£3,357,164

This document covers the second part of the Second Tranche of Grants to businesses, also known as the “No November Loss Scheme”.

TRANCHE 2 PART 2 - GRANTS TO BUSINESSES SCHEME (ARG-T2P2)

This grants scheme will apply to the same periods as the T1 and T2P1 schemes namely:

4-week National Lockdown between 05/11/2020 and 01/12/2020

12-week Tier 4 and National Lockdown between 26/12/2020 and 19/03/2021

The aim of this scheme is to provide support to businesses (including charities, non-profit organisations, community interest companies or similar organisations) in the Borough of Fareham, who have applied by the deadline but have not been eligible for grants under the T1 and T2P1 schemes. The reason for non-eligibility has been that they have not been able to demonstrate a loss, as a result of the pandemic, in the required month of November 2020.

The ARG-T2P2 Scheme covers the following 3 eligible groups:

- Businesses operating from rateable properties
- Businesses operating in a commercial non-rateable property (including shared office spaces)
- Businesses operating from a domestic property

Cost of the Scheme

ARG funding of up to £200,000 has been set aside for the ARG-T2P2 Scheme.

How much Grant will be paid to businesses under the ARG-T2P2 Scheme?

The amount awarded will be based on the criteria group which the business falls under, with eligible businesses receiving the Additional Top Up Payment offered under the T1 and T2P1 schemes.

Criteria Group	Amount awarded in ARG-T2P2	Additional Payment if eligible
1a	£5,334	n/a
1b	£8,000	n/a
1c	£12,000	n/a
2	£5,334	£2,500
3	£5,334	£2,500

Criteria 1 - Businesses operating from rateable properties not eligible for the Local Restrictions Support Grant (Closed) Addendum grants who have suffered as a result of the January/February 2021 National Lockdown.

Sub-Group	Rateable Value (on 04/11/2020)
1a	£15,000 or less
1b	Over £15,000 and less than £51,000
1c	£51,000 or more

Criteria 2 - Businesses operating in a commercial non-rateable Property (including shared office spaces), who have suffered or been forced to close as a result of the January / February 2021 National Lockdown.

Criteria 3 - Businesses operating from a domestic property, who have suffered or been forced to close as a result of the January /February 2021 National Lockdown.

Additional Payment criteria

Businesses qualifying under either Criteria Group 2 or Criteria Group 3 are eligible for the Additional Payment if they meet both of the following two criteria:

- They must have been trading on 11th March 2020
- They didn't receive support under the LADGF, RHLGF or SBGF schemes when Covid restrictions were first introduced in March 2020.

For the avoidance of doubt, applicants who have received grants under the ARG1 and ARG2P1 schemes are not eligible for a grant under this scheme.

Other Eligibility Criteria for the ARG-T2P2 Scheme:

To be considered for a grant under this scheme the following criteria must also be met:

a) Applied for the ARGT1 scheme

An application to the ARGT1 scheme was received before the deadline of the 31st March 2021. That application was rejected on the grounds that no loss in November could be demonstrated.

b) Not eligible for Local Restriction Support Grants

The scheme provides support to businesses who are not eligible for any of the following grant schemes: Local Restrictions Support Grant (Closed) Addendum (Tier 4), Local Restriction Support Grant (Closed) Addendum or Local Restrictions Support Grant (Closed). However, businesses can receive Local Restrictions Support Grant (Open) for the same period.

c) Be an Active Business

The business must:

- Be a business which was established before 01/09/2020 (before 01/03/2020 for the additional payment)
- Have a minimum annual turnover of £10,000 (charities, non-profit organisations, community interest companies or similar organisations are exempt from turnover related eligibility criteria)
- This turnover must be received through sales of products or services. Revenue or income from grants/sponsorship/daughter or parent companies/businesses owned by key stakeholders etc. will not be considered.
- Business entities which may be recognised legally but exist as holding companies for property/assets/other companies etc. are not eligible.
- Have been open and trading on 04/11/2020 and continue to be trading at the time that the grant payment is made
- Not be dormant.
- Not be in liquidation, administration, insolvent or had a striking-off notice registered.

d) 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 shop-keeper 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.

e) Occupy at least one trading location in the Borough of Fareham

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

A single payment per business will be made. For businesses which occupy more than one Rateable Property, the payment will be based on the property with the highest rateable value.

Businesses are not eligible for these payments if they have moved out of the Borough.

f) Demonstrate Impact of National Lockdown

If the business was not forced to close, it must be able to demonstrate a significant financial impact (loss of income or increased costs of at least 15%) due to the January 2021/February 2021 Lockdown.

The amount of grant awarded will not exceed the loss.

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

g) Must not exceed Subsidy Allowance limits (see below)

Applying for a Grant

All must have previously applied for an ARG-T1 grant, no new application is required. We will contact those who were rejected from ARG-T1 as they could not demonstrate a significant impact due to the November 2020 Lockdown. Each recipient will be responsible for declaring if they no longer meet the eligibility criteria and will be prompted to report if their situation has changed as part of the payment process.

If they remain an active company at the commencement of the ARG-T2P2 grant and are still eligible, then they will receive a payment.

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

Continued eligibility may be assessed by officers using information submitted and other sources including use of Companies House website, Northgate database, Spotlight and publicly available information such as Facebook and the business' webpages.

Assessment and Prioritisation of grants

The fund is limited therefore once the fund has been used there will be no additional grants paid. Alternatively, surplus funds may be allocated to another ARG scheme.

The Council reserves the right to close the scheme if it is likely to become oversubscribed, in which case grants will be awarded on a first come basis.

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.

The Council also reserves the right to use its discretion when assessing applications, where the principles of the scheme are being met but particular details of the scheme are preventing payments to businesses which the Council intended the grants scheme to help. However, there is no discretion over the maximum amount of the grant which can be awarded and the decision to use discretion for any application will be agreed by at least 2 authorising officers.

Award of grant

All will be reviewed against the eligibility criteria and checked against information provided. All applicants will be contacted to be informed if grant has been awarded or declined with an explanation.

Only one grant per business will be awarded regardless of the number of properties they occupy. If multiple properties are occupied, the grant paid will be based on the property, in the borough of Fareham, with the highest rateable value.

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.

Subsidy Allowance Limits

Receipt of this grant falls within the rules of the relevant State Aid/Subsidy Control/Subsidy Allowance rules which were in place at the time of the period of restrictions.

More details can be found at https://www.fareham.gov.uk/business/state_aid.aspx, and using the link to the government guidance below:

<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 their application, any application received without the declarations completed 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 that an error was made in processing an application