

FAREHAM

BOROUGH COUNCIL

Name of Grant	Additional Restrictions Grant (ARG) Scheme
Sub-section	Tranche 3
Parts	P1) Payments of T1 and T2 grants to new applicants; P2) Additional T3 grant to old and new applicants; P3) Payment of £2,500 top up to old and new applicants who are business rate payers.
Abbreviation	ARG-T3P1, ARG-T3P2 & ARG-T3P3
Start Date	01/04/2021
Final date for information/ evidence submission	23/06/2021
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	
			<i>Originally</i>	<i>Revised</i>
ARG-T1	First Tranche of Grants - General	5 Nov 20 to 1 Dec 20 plus Group 3 Top Up	£909,864	£601,000
ARG-T1M	First Tranche of Grants - Markets support	14 Dec 20 to 31 Mar 21	£20,000	£5,000
ARG-T2P1	Second Tranche of Grants - General	26 Dec 20 to 19 Mar 21 plus Group 2 Top Up	£929,864	£1,035,000
ARG-WS	Wider Support Schemes	April 2021 - March 2022	£464,932	
	ARG January Top-Up Unallocated		£2,324,660	
			£1,032,504	
			£3,357,164	
ARG-T2P2	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
ARG-Taxi	Second Tranche of Grants - Taxi support	5 Nov 2020 to 1 Dec 2020 & 26 Dec 2020 to 11 Apr 2021		£475,000
ARG-CSM	Continued Support for Market Traders			£66,000
	Required Contribution to LADGF scheme			£26,000
ARG-T3	Third Tranche of Grants - General	ARG-T3P1: 5 Nov 20 to 19 Mar 21 ARG-T3P2: 20 Mar 21 to 16 May 21 ARG-T3P3: Group 1 Top Up		£949,164
				£3,357,164

This document covers the Third Tranche of Grants to businesses.

TRANCHE 3 - GRANTS TO BUSINESSES SCHEME (ARG-T3)

This grant scheme is an extension to the ARG-T1 and ARG-T2 Schemes which have now closed. It consists of 3 strands of assistance:

- P1) Payments of T1 and T2 grants to new applicants;
- P2) Additional T3 grant to old and new applicants;
- P3) Payment of £2,500 top up to old and new applicants who are business rate payers.

The aim of **ARG-T3P1** is to provide support to businesses (including charities, non-profit organisations, community interest companies or similar organisations) in the Borough of Fareham, who would have been eligible for either ARG-T1 or ARG-T2P1 or ARG-T2P2 but missed the application deadline of 28/02/2021.

ARG-T3P1 will apply to: the National Lockdown between 05/05/2020 and 01/12/2020, Tier 4 restrictions between 26/12/2020 and 04/01/2021, National Lockdown between 05/01/2021 and 07/03/2021, and the initial part of Roadmap Step 1 between 08/03/2021 and 19/03/2021.

The aim of **ARG-T3P2** is to provide additional support to businesses (including charities, non-profit organisations, community interest companies or similar organisations) in the Borough of Fareham who received at least one of: ARG-T1, ARG-T2P1, ARG-T2P2 or ARG-T3P1, and who will have ongoing commercial property related overheads, but are not eligible for either of the Restart Grants.

ARG-T3P2 will apply to: the remainder of Roadmap Step 1 between 20/03/2021 and 11/04/2021 and Roadmap Step 2 between 12/04/2021 and 16/05/2021.

The aim of **ARG-T3P3** is to provide an additional payment for eligible businesses in the Criteria 1a, 1b or 1c Groups i.e. business rates payers who did not receive the Local Authority Discretionary Grant earlier in the year, nor the Small Business Grants or Retail, Hospitality or Leisure Grants. This Group have not yet been paid a top up under schemes T1 and T2.

Cost of the Scheme

ARG funding of up to £949,164 has been set aside for the ARG-T3 Scheme from the initial two allocations of funding received from the government.

ARG-T3P1 - GRANT PAYMENTS TO NEW APPLICANTS

The ARG-T3P1 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

How much Grant will be paid to businesses under the ARG-T3P1 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 as offered under the ARG-T1, ARG-T2P1 and ARG-T3P3 schemes.

Criteria Group	Amount awarded in ARG-T3P1	Additional Top Up Payment if eligible
1a	£5,334	£2,500
1b	£8,000	£2,500
1c	£12,000	£2,500
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 schemes who have suffered as a result of at least one of the November 2020/January 2021/February 2021 National Lockdowns.

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 at least one of the November 2020/January 2021/February 2021 National Lockdowns.

Criteria 3 - Businesses operating from a domestic property, who have suffered or been forced to close as a result of at least one of the November 2020/January 2021/February 2021 National Lockdowns.

For the avoidance of doubt applicants who have received grants under the ARG-T1, the ARG-T2P1 or the ARG-T2P2 schemes are not eligible for a grant under the ARG-T3P1 scheme.

Other Eligibility Criteria for the ARG-T3P1 Scheme:

To be considered for a grant under the ARG-T3P1 scheme the following criteria must also be met:

a) Not eligible for Local Restriction Support Grants

The scheme provides support to businesses who are not eligible for any of the Local Restrictions Support Grant (Closed) Addendum Grants.

b) 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.
- Not be dormant.
- Not be in liquidation, administration, insolvent or had a striking-off notice registered.
- Declare that they satisfy at least one of the Government's Trading Indicators as at 1 April 2021:
 - The business is open as normal
 - The business has staff on Furlough
 - The business continues to trade in a different way to normal e.g. online, via click and collect services etc.
 - The business is engaged in business activity: managing accounts, preparing for re-opening, planning and implementing Covid-safe measures

c) 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.

d) 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.

e) Demonstrate Impact of National Lockdowns

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%) in at least one of the months when there was a National Lockdown (November 2020/January 2021/February 2021).

The amount of grant awarded will not exceed the loss.

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

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

ARG-T3P2 – ADDITIONAL T3 GRANT TO OLD AND NEW APPLICANTS

The ARG-T3P2 Scheme covers the following 3 eligible groups:

- Businesses operating from rateable properties
- Businesses operating in a commercial non-rateable property (including shared office spaces)
- Bed and Breakfast/Holiday Let Accommodation where the owner pays council tax rather than business rates.

How much Grant will be paid to businesses under the ARG-T3P2 Scheme?

The amount awarded will be based on the grant values from the ARG-T1 and the ARG-T2 schemes, applied to the 58-day period, and the criteria group which the business falls under.

Criteria Group	Amount awarded in ARG-T3P2
1a	£2,800
1b	£4,100
1c	£6,200
2	£2,800
3	£2,800

Criteria 1 - Businesses operating from rateable properties who received any of the following: ARG-T1, ARG-T2P1, ARG-T2P2 or ARG-T3P1 and who are not eligible for any of the Restart Grants.

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 received any of the following: ARG-T1, ARG-T2P1, ARG-T2P2, ARG-T3P1 and who are not eligible for any of the Restart Grants.

Criteria 3 – Bed & Breakfast/Holiday Let Accommodation, operating from a domestic property where the owner pays council tax rather than business rates, and who received any of the following: ARG-T1, ARG-T2P1, ARG-T2P2 or ARG-T3P1. The property must be provided on a temporary basis (for less than three months) and guests have a main residence elsewhere.

Other businesses which are operated solely from domestic premises are excluded from the ARG-T3P2 scheme.

Other Eligibility Criteria for the ARG-T3P2 Scheme:

To be considered for a grant under the ARG-T3P2 scheme the following criteria must also be met:

a) Not eligible for Restart Grants

The scheme provides support to businesses who are not eligible for any of the Restart Grants.

b) Be an Active Business

The business must:

- Be a business which was established before 01/09/2020.
- 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 OR,
 - Declare that they satisfy at least one of the Government's Trading Indicators as at 1 April 2021:
 - The business is open as normal
 - The business has staff on Furlough
 - The business continues to trade in a different way to normal e.g. online, via click and collect services etc.
 - The business is engaged in business activity: managing accounts, preparing for re-opening, planning and implementing Covid-safe measures
- Not be dormant.
- Not be in liquidation, administration, insolvent or had a striking-off notice registered.

c) 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.

d) 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.

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

ARG-T3P3 – TOP UP PAYMENT TO BUSINESS RATES PAYERS

An additional top up payment of £2,500 will be awarded to businesses in the Criteria 1 Group (business rates payers) if they have received a grant under the ARG-T1, ARG-T2P1, ARG-T2P2 or ARG-T3P1 schemes AND

- They were established as a trading business before 11th March 2020
- They didn't receive support under the Local Authority Discretionary Grant Fund (LADGF), Retail, Hospitality and Leisure Grants Fund (RHLGF) or Small Business Grant Fund (SBGF) schemes when Covid restrictions were first introduced in March 2020.
- They have not previously received an Additional Payment under the Additional Restrictions Grants Schemes.

Application Process:

ARG T3P1 Grant (New applicants)

Applicants must complete an application form which will be available on the Council's website for the period that the scheme is open for applications. The Council reserves the right to make further enquiries to clarify or confirm the information provided in the application.

ARG-T3P2 Grant (Additional grant)

All eligible businesses will be known to the Council, either through an ARG-T1 or an ARG-T2P1 application. They will be contacted directly, and once we are satisfied that they are still trading, the grant will be awarded.

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.

ARG T3P3 Grant (Top Up for Criteria Group 1- Business Rates Payers)

Criteria Group 1 Businesses eligible for the Additional Payment, will not have to apply if they have already applied and received a grant through the ARG-T1 and/or ARG-T2P1 or ARG-T2P2 of ARG-T3P1 schemes. These businesses are known to us and will be contacted directly. If they have not previously applied, they will need to complete the application form.

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 of each type 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 scheme should be declared for tax purposes.

Subsidy Allowance Limits

Receipt of these grants 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