

FAREHAM

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 that 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