



**Portsmouth City Council**  
**Local Restrictions Support Grant (Open)**

## Overview

In response to the introduction of local restrictions to help manage the coronavirus (Covid-19) outbreak, the government announced there would be additional support for local businesses affected by these restrictions.

Through the Local Restriction Support Grant (Open) Fund, Local Authorities are provided with additional funding to support businesses under Local Covid Alert Level (LCAL) High & Very High, where the businesses are not legally required to close, but which are severely impacted by the localised restrictions on socialising put in place to manage coronavirus and save lives.

Portsmouth's LCAL is High effective from 2<sup>nd</sup> December 2020, following the national lockdown period. This means that the grant funding available to businesses from the 'Open' strand of the Local Restrictions Support Grant scheme will become available.

In the event of any further national lockdown period, the Local Restriction Support Grant (Open) will cease to apply, with support instead being provided through the closed addendum scheme in such circumstances.

At present, this scheme runs until April 2021, with a review point in January 2021.

## Funding

Portsmouth City Council will be issued a funding allocation calculated using data from the Valuation Office Agency. The funding allocation is based on the number of hospitality, accommodation and leisure businesses within the Local Authority area, plus a 5% top up.

The Council will receive a fixed payment for each 14-day period of LCAL High or Very High restrictions. BEIS have confirmed that the allocation will not be increased, and it is for Local Authorities to determine how best to distribute their allocated funding according to local need.

## Who can access the fund?

Local Authorities are asked to prioritise hospitality, hotel, bed & breakfast and leisure businesses.

In response to the direction set by BEIS, Portsmouth City Council's Local Restriction Support Grant (Open) will be available to ratepayers in the hospitality and leisure sector. Where a business is not subject to business rates, or is a ratepayer outside of these sectors, an application may be considered under the council's Additional Restrictions Grant (ARG).

For the purposes of Portsmouth City Council's Local Restrictions Support Grant (Open) scheme, hospitality and leisure is as follows:

## **Restaurants, cafes, drinking establishments, cinemas and live music venues**

We consider restaurants, cafes, drinking establishments, cinemas and live music venues to mean:

(a). Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

(b). Hereditaments which are being used as cinemas

(c). Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of this grant where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).

- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).

## **Assembly and Leisure**

We consider assembly and leisure to mean:

(d) Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).

- Sports grounds and clubs
- Museums and art galleries
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

(e). Hereditaments that are being used for the assembly of visiting members of the public.

- Public halls
- Clubhouses, clubs and institutions

### **Hotel, guest & boarding premises and self-catering accommodation**

We consider hotels, guest & boarding premises and self-catering accommodation to mean:

(f). Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, Guest and Boarding Houses
- Holiday homes
- Caravan parks and sites

The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes. There will also be mixed uses. However, it is intended to be a guide as to the types of uses that Portsmouth City Council considers for this purpose to be eligible for the Local Restrictions Support Grant (Open).

## **Definition of severely impacted by restrictions**

Portsmouth City Council have determined that it is reasonable to accept that ratepayers in the hospitality and leisure sector have been severely impacted by local restrictions on socialising. Examples include no mixing of households, bar/pub/restaurant restrictions, and the requirement for social distancing measures.

## **Eligibility Criteria**

Portsmouth City Council determines the eligibility criteria for this grant is:

- The business not legally required to be closed but is severely impacted by LCAL High and Very High restrictions.
- The business was trading at the point of local restrictions being implemented.
- The business is responsible for business rates.
- The use of the rated property meets Portsmouth City Council's definition of hospitality and leisure.

The following businesses are not eligible:

- Businesses established after the introduction of local restrictions.
- Businesses that were in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
- Non business rates payers, or ratepayers that do not meet Portsmouth City Council's definition of hospitality and leisure.

## Grants Available

The level of grant available is determined by the hereditament's rateable value as follows:

- a. Grants of £467 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions.
- b. Grants of £700 per 14-day period for businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions.
- c. Grants of £1,050 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £51,000 or above on the date of the commencement of the local restrictions.

## Application Process

An online form will be available on [www.portsmouth.gov.uk](http://www.portsmouth.gov.uk).

To be considered for this grant, the ratepayer will be required to complete the online application form. The online form will collect the information necessary to confirm eligibility to the grant, and satisfy the reporting requirement of BEIS.

Once received, applications will be assessed to establish whether the eligibility criteria is met.

The decision of the assessors is final.

There is no provision to appeal. If the application meets the eligibility criteria and is awarded funding, the ratepayer will be contacted to confirm the amount.

If the applicant is not eligible, they will be contacted to advise the reasons for their ineligibility, and they will be signposted to business support, including the Additional Restrictions Grant.

## Payment

All payments will be made via BACS as soon as is possible, and the payments will be repeated on a 14 day rolling basis where local restrictions are extended.

## Tax

Grant income received by a business is taxable therefore funding paid under the Local Restrictions Support Grant (Open) will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

## State aid

The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission. The Local Authority must be satisfied that all State aid requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved Covid-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission.

Payments made can be provided under the existing De Minimis rules, provided doing so does not exceed the €200,000 threshold to any one organisation over a three-year fiscal period. Payments made where the De Minimis threshold has been reached should be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000).

The amended Temporary Framework enables EU Member States to give up to the nominal value of € 800,000 per company. This can be combined also with so-called *de minimis* aid (to bring the aid per company to up to €1 million) and with other specific types of aid. Any business that has reached the limits of payments permissible under the De Minimis and the UK Covid-19 Temporary State Aid Framework will not be able to receive further grant funding.

On 13 October 2020 the European Commission (CION) announced further amendments to its State aid Temporary Framework - introducing a new measure enabling further support to companies facing a decline in turnover during the eligible period of at least 30% compared to the same period of 2019 due to the coronavirus outbreak. The support can be provided for up to 70% (90% in case of micro and small companies) of the beneficiaries' fixed costs that are not covered by their revenues or other specified sources, up to a maximum amount of EUR 3 million per undertaking. The aid under this measure cannot be cumulated with other aid for the same eligible costs and is subject to further conditions set out in the Temporary Framework. The U.K. Government has notified the CION of its intention to use the new provision and must await approval from the CION to do so. The Covid-19 Temporary Framework for UK Public Authorities will need to be amended before aid under this new measure may be provided. All Local Restrictions Support Grants guidance documents will be updated to reflect the new provisions if and when they are applied to the LRSG schemes once the U.K. Government has approval. See announcement: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_1872](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1872)

## **Fraud**

The council will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain additional grant money will face prosecution. 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. All businesses will confirm this by ticking the box on the application form.

## **Pre And Post Payment Assurance**

Portsmouth City Council will conduct activity to provide assurance that the grants have been paid out in line with the eligibility and State aid conditions for this scheme.

The general principle applies that Portsmouth City Council is responsible and accountable for the lawful use of funds under Section 151 of the Local Government Act 1972. The Section 151 Officer within the Local Authority is required to exercise their duties in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, ensuring their oversight of the proper administration of financial affairs within the Local Authority, including of these grants.