

## Notice of Meeting

# Cabinet

- Date:** Friday 29 May 2020
- Time:** 5.30 pm
- Venue:** Being held virtually by Microsoft Teams. The public can listen to a live stream here:  
<http://www.audiominutes.com/p/player/player.html?userid=tvbc>

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This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that part of this meeting may be held in private because the agenda and reports for the meeting may contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.

**PUBLIC PARTICIPATION SCHEME**

*If members of the public wish to address the meeting they should notify the Legal and Democratic Service at the Council's Beech Hurst office by noon on the working day before the meeting.*

### **Membership of Cabinet**

#### **MEMBER**

#### **WARD**

Councillor P North (Chairman)

Bourne Valley

Councillor N Adams-King (Vice-Chairman)

Blackwater

Councillor P Bundy

Chilworth, Nursling & Rownhams

Councillor D Drew

Harewood

Councillor M Flood

Anna

Councillor I Jeffrey

Mid Test

Councillor A Johnston

Mid Test

Councillor T Tasker

Andover Romans

**Cabinet**

Friday 29 May 2020

**AGENDA**

**The order of these items may change as a result of members  
of the public wishing to speak**

- 1 Apologies**
- 2 Public Participation**
- 3 Declarations of Interest**
- 4 Urgent Items**
- 5 Local Authority Discretionary Grants Fund 4 - 23**

**Finance**

To consider a new delegated authority to the Head of Revenues for the implementation of a local discretionary grant scheme as part of the measures to combat coronavirus.

- 6 Car Parking 24 - 29**

**Planning**

To consider the impact of COVID-19 on the Council's Car Parking function in relation to the proposed easing of lockdown restrictions

## **ITEM 5                    Local Authority Discretionary Grants Fund**

Report of the Finance Portfolio Holder

### **Recommended:**

**That authority is given to the Head of Revenues, in consultation with the Leader, Finance Portfolio Holder, Economic Development Portfolio Holder, Head of Legal & Democratic Services and Head of Finance, to formulate, implement and if necessary amend a local policy for administration of the Local Authority Discretionary Grants Fund.**

#### **SUMMARY:**

- The government has announced that local authorities will be required to administer a discretionary grant fund as part of the national measures to combat the coronavirus pandemic.
- Unlike the business support grant scheme that was largely prescribed by government, this scheme enables some decisions about eligibility and the amount of funding that can be awarded to be set at a local level.

### **1        Introduction**

- 1.1      This report is presented to Cabinet to seek approval for a new delegated authority to the Head of Revenues. The delegated authority is for the development of a new discretionary grant funding scheme to be implemented by the Council.

### **2        Background**

- 2.1      The government has put in place a wide range of measures to support the economy in the fight against coronavirus.
- 2.2      Some of these are administered centrally, whereas others are to be delivered by local authorities. Examples of the schemes already delivered by this council are the business support grants and council tax hardship schemes.
- 2.3      On 1 May 2020 the government announced that it would be introducing a new scheme targeted at small businesses with high property-related costs but which fall outside the eligibility criteria for the existing business grant schemes. The national budget for this is £617M.

- 2.4 Initial guidance for local authorities was issued on 13 May (see annex to the report). The government has set out some national criteria that set the boundaries for this grants fund and indicated the types of business that it would like to see supported. However, it is up to authorities to determine for themselves which businesses should receive support and the level of support that can be given.

### **3 Key points from government guidance**

- 3.1 The government guidance sets out that the grant fund is predominantly aimed at:
- Small and micro businesses (to be small, a business must satisfy at least two of the following requirements in a year: turnover less than £10.2M; balance sheet value less than £5.1M; less than 50 employees)
  - Businesses with relatively high ongoing fixed property-related costs
  - Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis
  - Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.
- 3.2 It goes on to further recommend that the following types of businesses should be prioritised:
- Small businesses in shared offices or other flexible workspaces. Examples could include units in industrial parks, science parks and incubators which do not have their own business rates assessment;
  - Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;
  - Bed & Breakfasts which pay Council Tax instead of business rates; and
  - Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.
- 3.3 Local authorities can make grant awards of £25,000; £10,000; or any amount up to £10,000 that it deems appropriate.
- 3.4 Finally, there are some specific exclusions from eligibility for a grant. These mainly relate to businesses that are eligible for support from any other central government COVID-related scheme. The most relevant of these are:
- Self Employment Income Support Scheme (SEISS)
  - Small Business Grant Fund
  - Retail, Hospitality and Leisure Grant
- 3.5 Businesses who have applied for the Coronavirus Job Retention Scheme are able to apply for a grant.
- 3.6 Should a business come forward that is eligible for a small business or retail grant, we will automatically process their application under that existing scheme. The application process will need to determine whether an applicant is eligible for SEISS so that we can re-direct them to that form of support.

3.7 Only businesses that were trading on 11 March 2020 (the date of the Budget and reference date for the small and retail grants) are eligible for support.

3.8 The guidance is attached as an annex to the report.

#### **4 Development of a local policy**

4.1 It is probable that the number of applications for support will exceed the amount of funding that is available.

4.2 It is therefore recommended that the Council sets out clear criteria for determining which businesses will be prioritised for support and the amount of support that will be provided.

4.3 That policy is currently being developed. However, given the recent publication of local authority guidance for this scheme it has not been possible to recommend a policy to Cabinet with this report. Instead, it is recommended that the Head of Revenues be given delegated authority to develop a scheme, implement it and make any amendments to it that may become necessary, in consultation with the Leader, Finance / Economic Development portfolio holders and Heads of Finance / Legal & Democratic Services.

4.4 It will be necessary to create an application form for businesses to apply for a grant. This will need to collect information about the nature of the business, its ongoing property cost commitments and the impact of coronavirus on its income.

4.5 Unlike the small business / retail grant schemes, the funding for the discretionary relief grants is capped. It will, therefore, be necessary that the final scheme is designed in such a way that the allocated funding is not overspent to avoid creating a budget pressure.

4.6 There are two ways that this can be achieved.

Option 1 – Have an application period for all potentially eligible businesses to apply, and then make payment to those considered to be the highest priority for Council support (Recommended).

Option 2 – Pay grants on a first come, first served basis. This would mean that once the funding allocation is reached, no more grants would be paid.

#### **5 Option Appraisal**

5.1 The main difference between options 1 and 2 is the trade-off between the ability to target the relatively small amount of funding that is available at businesses the Council wishes to prioritise for funding and the time it will take to be able to make payments to businesses that need help to stay afloat.

- 5.2 With a fixed minimum funding allocation of £1.41M, it would only be possible to pay out 141 grants of £10,000 or 56 grants of £25,000. With such a low number of potential recipients it is considered that the most appropriate option is to seek applications from businesses and set priorities for payment within the boundaries of the final scheme.

## **6 Risk Management**

- 6.1 An evaluation of the risks indicate that the existing controls in place mean that no significant risks have been identified at this time.

## **7 Resource Implications**

- 7.1 The national budget for this grant scheme is £617M. This is based on 5% of the £12.3Bn that was allocated to the business support grants.
- 7.2 The Council received confirmation on 20 May 2020 that its fixed minimum allocation will be £1,411,250. This was based on 5% of the estimated maximum expenditure on business support grants (£28.195M) as at 4 May 2020.
- 7.3 The grant scheme will be designed so that payments are contained within the final allocation from government. This being the case, there will be no resource requirements other than staff time.

## **8 Legal Implications**

- 8.1 Under normal circumstances, a final policy would be attached and recommended for approval.
- 8.2 However, given the lateness of the release of government guidance and the urgency with which this funding is needed to support local businesses, it is considered preferable that delegated authority be given to the Head of Revenues, in consultation with the Leader, Finance Portfolio Holder, Economic Development Portfolio Holder, Head of Legal & Democratic Services and Head of Finance, to prepare the final policy in readiness for introduction as soon as possible.

## **9 Equality Issues**

- 9.1 There are no equality issues arising from this report.

## **10 Conclusion and reasons for recommendation**

- 10.1 The government has introduced a new discretionary grants scheme that will be delivered by local authorities. This will require the development of a local scheme to establish which businesses should receive support and the amount of that support.

- 10.2 It is recommended that the Head of Revenues is given authority to formulate and implement a local scheme in consultation with the Leader, Finance / Economic Portfolio Holders and the Heads of Finance / Legal & Democratic Services.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
Grant Funding Schemes Local Authority Discretionary Grants Fund – guidance for local authorities.			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Finance) Councillor M Flood			
Officer:	Carl Whatley	Ext:	8540
Report to:	Cabinet	Date:	29 May 2020





Department for  
Business, Energy  
& Industrial Strategy

# Grant Funding Schemes

Local Authority Discretionary Grants Fund –  
guidance for local authorities



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## About this guidance

1. This guidance is intended to support local authorities in administering the Local Authority Discretionary Grants Fund announced on 1 May 2020. This guidance applies to England only.
2. This guidance sets out the criteria which local government should consider as they manage the Local Authority Discretionary Grants Fund. This does not replace [existing guidance](#) for the Small Business Grant Fund (SBGF) or the Retail Hospitality and Leisure Grant Fund (RHLGF).
3. Local authority enquiries on this measure should be addressed to [businessgrantfunds@beis.gov.uk](mailto:businessgrantfunds@beis.gov.uk). Businesses seeking information should refer to their local authority for further information on their discretionary scheme.

## Introduction

4. In response to the Coronavirus, COVID-19, the government announced there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors, delivered through the Small Business Grant Fund and the Retail, Leisure and Hospitality Grant Fund.
5. This additional fund is aimed at small businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund.

## How will the grants be provided?

6. Local authorities will be responsible for delivering grants to eligible businesses. Section 1 of the Localism Act 2011 provides all local authorities with the vires to make these payments.
7. The cost to local authorities of these grant payments will be met in one of two ways:
  - Where they have or plan to spend all of the grants fund allocation for the Small Business Grants Fund and Retail, Hospitality and Leisure Grants Fund, they will receive an additional payment of 5% of their funding allocation (using a grant under section 31 of the Local Government Act 2003).
  - Local authorities that, having taken all reasonable steps to provide grants to eligible businesses for the Small Business Grants Fund and/or the Retail, Hospitality and Leisure Grants Fund, still have unspent initial grants funds allocation, will fund the grants from this unspent residual. Local authorities with a projected underspend of more than 5% cannot allocate awards above their 5% threshold.
8. In either case, we will continue to monitor each local authority's spend performance for the Small Business, Retail, Hospitality and Leisure Grants Funds and the Local Authority Discretionary Grants Fund and ensure they have sufficient funding and the correct 5% cap for the Discretionary Grants Fund and will top up funding where necessary.

9. We will use the data return from local authorities of Monday 4th May 2020, which includes a projection of spend totals for the Small Business and Retail, Hospitality and Leisure Grants Funds, as the baseline for calculating either:
  - The 5% funding envelope that each local authority can utilise to meet the costs of this discretionary grants scheme, where they have residual funding available;
  - Or, the allocation of the additional amount of grant to be paid to those local authorities expecting to have no residual funding or not enough residual funding from the initial allocation of Small Business and Retail, Hospitality and Leisure Grants Funds.
10. This is a baseline to provide the fixed minimum 5% allocation for each local authority, to give certainty. We do not want to penalise local authorities that subsequently manage to achieve a higher number of business hereditaments supported and grants awarded; their 5% allocation will be adjusted upwards.
11. We are committed to meeting the delivery costs to local authorities for this scheme and will meet associated New Burdens costs.
12. Local authorities that will be responsible for making payments to businesses and which will receive funding from government are billing authorities in England.
13. This grant scheme widens access to support to businesses who are struggling to survive due to the Corona virus shutdown but are unable to access other grant funding. Local authorities should make payments as quickly as possible to support struggling businesses. We anticipate that the first payments made under the scheme will be received by businesses by early June.

## How much funding will be provided to businesses?

14. Local authorities may disburse grants to the value of £25,000, £10,000 or any amount under £10,000. The value of the payment to be made to a business is at the discretion of the local authority.
15. Grants under the Local Authority Discretionary Grants Fund are capped at £25,000.
16. The next level payment under the Local Authority Discretionary Grants Fund is £10,000.
17. Local authorities have discretion to make payments of any amount under £10,000. It will be for local authorities to adapt this approach to local circumstances, such as providing support for micro-businesses with fixed costs or support for businesses that are crucial for their local economies. We expect that payments of under £10,000 may be appropriate in many cases.
18. In taking decisions on the appropriate level of grant, local authorities may want to take into account the level of fixed costs faced by the business in question, the number of employees, whether businesses have had to close completely and are unable to trade online and the consequent scale of impact of COVID-19 losses.
19. Bearing in mind the above, local authorities should set out clear criteria for determining the appropriate level of grant to give businesses clarity.

## Who will benefit from these schemes?

20. These grants are primarily and predominantly aimed at:
- Small and micro businesses, as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006.
  - Businesses with relatively high ongoing fixed property-related costs
  - Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis
  - Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.
21. To be a small business, under the Companies Act 2006, a business must satisfy two or more of the following requirements in a year—
- Turnover: Not more than £10.2 million
  - Balance sheet total: Not more than 5.1 million
  - Number of employees: a headcount of staff of less than 50
22. To be a micro business, under the Companies Act 2006, a business must satisfy two or more of the following requirements—
- Turnover: Not more than £632,000
  - Balance sheet total: Not more than £316,000
  - Number of employees: a headcount of staff of not more than 10
23. We want local authorities to exercise their local knowledge and discretion and we recognise that economic need will vary across the country, so we are setting some national criteria for the funds but allowing local authorities to determine which cases to support within those criteria.
24. We are asking local authorities to prioritise the following types of businesses for grants from within this funding pot:
- Small businesses in shared offices or other flexible workspaces. Examples could include units in industrial parks, science parks and incubators which do not have their own business rates assessment;
  - Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;
  - Bed & Breakfasts which pay Council Tax instead of business rates; and
  - Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

25. The list set out above is not intended to be exhaustive but is intended to guide local authorities as to the types of business that the government considers should be a priority for the scheme. Authorities should determine for themselves whether particular situations not listed are broadly similar in nature to those above and, if so, whether they should be eligible for grants from this discretionary fund.
26. Where limits to funding available for this scheme require local authorities to prioritise which types of businesses will receive funding, it will be at the local authorities discretion as to which types of business are most relevant to their local economy. There will be no penalty for local authorities because of their use of discretion to prioritise some business types.
27. Local authorities should set out the scope of their discretionary grant scheme on their website, providing clear guidance on which types of business are being prioritised, as well as the rationale for the level of grant to be provided (either £25,000, £10,000 or less than £10,000).
28. Local authorities may wish to consider collaborating as they design their discretionary schemes to ensure there is consistency where they are working across a functional economic area (e.g. a Mayoral Combined Authority or Local Enterprise Partnership area) and may want to engage with MCAs and LEPs to ensure alignment and reduce duplication with other local discretionary business grants that may have been established.

## Eligibility

29. This grant funding is for businesses that are not eligible for other support schemes. Businesses which have received cash grants from any central government COVID-related scheme are ineligible for funding from the Discretionary Grants Fund. Such grant schemes include but are not limited to:
  - Self Employment Income Support Scheme
  - Small Business Grant Fund
  - Retail, Hospitality and Leisure Grant
  - The Fisheries Response Fund
  - Domestic Seafood Supply Scheme (DSSS).
  - The Zoos Support Fund
  - The Dairy Hardship Fund
30. Businesses who have applied for the Coronavirus Job Retention Scheme are eligible to apply for this scheme.
31. Only businesses which were trading on 11 March 2020 are eligible for this scheme.
32. Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.

## Who will receive this funding?

33. It is recognised that local authorities will need to run some form of application process as the potential beneficiaries are highly unlikely to be known directly by the local authorities.
34. This will allow local authorities to undertake proportionate pre-payment checks to confirm eligibility relative to their local scheme and to allow each local authority to determine how to use its discretion in relation to the appropriate level of grant. Prepayment checks must include confirming that by accepting payments recipients are in compliance with State aid rules.
35. Local authorities must use their discretion in identifying the right person to receive this funding, based on their application process.
36. The local authority must call or write to the business, stating that by accepting the grant payment, the business confirms that they are eligible for the grant scheme, including that any payments accepted will be in compliance with State aid requirements. Suggested wording for State aid declarations is included at Annex B.

## Will these grant schemes be subject to tax?

37. Grant income received by a business is taxable therefore funding paid under the Local Authority Discretionary Grants Fund will be subject to tax.
38. Only businesses which make an overall profit once grant income is included will be subject to tax.

## Managing the risk of fraud

39. The government will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.
40. The government Grants Management Function and Counter Fraud Function will make their digital assurance tool, Spotlight, available to local authorities, and will offer support in using the tool and interpreting results. Alongside other checks conducted by local authorities, the tool can help with pre-payment and post payment assurance. We also want local authorities to work with us and each other in identifying and sharing good practice, including protecting eligible businesses which may be targeted by fraudsters pretending to be central or local government or acting on their behalf.

## Post event assurance

41. Post payment, the government Grants Management Function and Counter Fraud Function will support local authorities to carry out post-event assurance work to identify high risk payments.



## Monitoring and reporting requirements

42. Local authorities will be required to report on their progress in developing and delivering the Local Authority Discretionary Grant Fund weekly to BEIS alongside the existing reporting on the Small Business Grants Fund and Retail, Hospitality and Leisure Grants Fund. Criteria for local authority schemes must be published and shared with BEIS.
43. Once the scheme is developed and payments are made, reports from June onward will cover:
- Numbers of businesses provided £25,000 grants
  - Numbers of businesses provided £10,000 grants
  - Numbers of businesses provided less than £10,000 grants
  - Total funding paid out in relation to the discretionary grant scheme paying less than £10,000
  - Expected date of completion of all grant payments to businesses
  - Issues encountered in implementing the scheme to allow BEIS to support development of solutions with local authorities.
44. We will also contact a sample of LAs each month to:
- Check they are awarding in line with the mandatory criteria;
  - Understand the ways in which they are using their discretion.
45. Annex A contains information on Post Payment Monitoring requirements.

## State aid

46. 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.
47. Local authorities have a discretion to make payments to eligible recipients under either the De Minimis rules or the COVID-19 Temporary Framework for UK Authorities (provided all the relevant conditions are met).
48. Payments of up to and including £10,000 can be provided under the De Minimis rules, meaning applicants can receive up to €200,000 of aid within a three year period.
49. Payments of up to and including £25,000 (or where the De Minimis threshold has been reached) should be paid under the COVID-19 Temporary Framework for UK Authorities. Local authorities should note the conditions attached to the Temporary Framework, including the €800,000 threshold per undertaking (€120 000 per undertaking active in

the fishery and aquaculture sector or €100 000 per undertaking active in the primary production of agricultural products), and requirement for recipients to declare they were not an undertaking in difficulty on 31 December 2019. An 'undertaking in difficulty' is defined by GBER (2014) as an undertaking in which at least one of the following circumstances occurs:

- a) In the case of a limited liability company (other than an SME that has been in existence for less than three years), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital.
- b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses.
- c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.
- d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan.
- e) In the case of an undertaking that is not an SME, where, for the past two years:
  - i) The undertaking's book debt to equity ratio has been greater than 7.5 and
  - ii) The undertaking's EBITDA interest coverage ratio has been below 1.0.

50. Annex B of this guidance contains two sample declarations which local authorities may wish to use with either payments under the De Minimis rules or under the COVID-19 Temporary Framework for UK Authorities. Where local authorities have further questions about De Minimis or other aspects of State aid law, they should seek advice from their legal department in the first instance.

## Annex A: Post-payment reporting

### Background

1. Local authorities will be required to report weekly to BEIS on the Local Authority Discretionary Grants Fund, alongside the existing reporting on the Small Business Grants Fund and Retail, Hospitality and Leisure Grants Fund
2. Reports will cover:
  - Numbers of businesses provided £25,000 grants
  - Numbers of businesses provided £10,000 grants
  - Numbers of businesses provided less than £10,000 grants
  - Total funding paid out in relation to the discretionary grant scheme paying less than £10,000
  - Expected date of completion of all grant payments to businesses
  - Issues encountered in implementing the scheme to allow BEIS to support development of solutions with local authorities
3. The return will be completed using the DELTA Reporting system.

### Process

4. Local authorities are required to complete the weekly return for BEIS by 10am Monday (from early June), reporting on the previous Monday – Sunday period.
5. Each weekly report will only cover grants provided by local authorities to eligible business during the period of the previous week as per paragraph 4. The Cities and Local Growth Unit will consolidate the reports to create a cumulative total and monitor progress against the allocation of funding per local authority.

### Definitions

<b>Total number of grants provided under each level of the scheme (£25,000; £10,000; and less than £10,000)</b>	Number of grants paid (in that week) to the eligible businesses identified by the local authorities.
<b>Total funding paid out in relation to the discretionary grant scheme paying less than £10,000</b>	This should reflect the amount of money paid in grants against the under £10k grant in the reporting week under this scheme.
<b>Expected Date of Completing all payments to Eligible Businesses</b>	Date at which the local authorities believes it will have provided all grants under the scheme.
<b>Comments</b>	Highlight in this box issues that local authorities are encountering while implementing the schemes.

## Annex B: State aid – Sample paragraphs that could be included in letters to grant recipients

### Template to send to beneficiaries of aid awarded based on the UK COVID-19 Temporary Framework<sup>1</sup>

Dear [Name of Aid Recipient]

#### **Confirmation of State Aid received under the COVID-19 Temporary Framework for UK Authorities scheme**

Following the outbreak of the Coronavirus, the European Commission has approved schemes to aid businesses affected by the Coronavirus outbreak on the basis of their Temporary Framework, including the COVID-19 Temporary Framework scheme for the UK.

The maximum level of aid that a company may receive is €800 000 (€120 000 per undertaking active in the fishery and aquaculture sector or €100 000 per undertaking active in the primary production of agricultural products). This is across all UK schemes under the terms of the European Commission's Temporary Framework. The Euro equivalent of the Sterling aid amount is calculated using the Commission exchange rate<sup>2</sup> applicable on the date the aid is offered.

Any aid provided under this scheme will be relevant if you wish to apply, or have applied, for any other aid granted on the basis of the European Commission's Temporary Framework. You will need to declare this amount to any other aid awarding body who requests information from you on how much aid you have received. You must retain this letter for four years after the conclusion of the UK's transition from the EU and produce it on any request from the UK public authorities or the European Commission.

Aid may be granted to undertakings that were not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation<sup>3</sup>) on 31 December 2019, but that faced difficulties or entered in difficulty thereafter as a result of the COVID-19 outbreak<sup>4</sup>.

This aid is in addition any aid that you may have received under the De Minimis regulation allowing aid of up to €200,000 to any one organisation over a three fiscal year period (i.e. your current fiscal year and previous two fiscal years), and any other approved aid you have received under other State aid rules, such as aid granted under the General Block Exemption Regulation.

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<sup>1</sup> Approval reference.

<sup>2</sup> [https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro\\_en](https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en)

<sup>3</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710>

<sup>4</sup> If you are an undertaking in difficulty within the meaning of Article 2(18) of the General Block Exemption Regulation you may still be entitled to de minimis aid if you have received less than €200,000 in de minimis aid in the last three years. You should contact us if you consider that you may qualify for de minimis aid on this basis.

**Confirmation of State aid received under x Scheme, and Undertaking in Difficulty status**

Please sign the attached statement confirming your eligibility, in principle, for aid.

I confirm that I have received the following aid under measures approved within the European Commission’s Temporary Framework between March 2020 and December 2020.

I confirm that my undertaking was not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation) on 31 December 2019.

<b>Body providing the assistance/ aid</b>	<b>Value of assistance (in €)</b>	<b>Date of assistance</b>

**Declaration**

<b>Company</b>	
<b>Company Representative Name</b>	
<b>Signature</b>	
<b>Date</b>	

## Template to send to beneficiaries of aid awarded based on De Minimis Rules

Dear [ ]

The value of the grant payment to be provided to [name of undertaking] by [name of local authority] is £ [ ] (Euros [ ]).

This award shall comply with the EU law on State aid on the basis that, including this award, [name of undertaking] shall not receive more than €200,000 in total of de minimis aid within the current financial year or the previous two financial years). The de minimis Regulations 1407/2013 (as published in the Official Journal of the European Union L352 24.12.2013) can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

Amount of de minimis aid	Date of aid	Organisation providing aid	Nature of aid

I confirm that:

- 1) I am authorised to sign on behalf of \_\_\_\_\_ [name of undertaking]; and
- 2) \_\_\_\_\_ [name of undertaking] shall not exceed its De minimis threshold by accepting this grant payment.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

I confirm that I wish to accept the grant payment in relation to the above premises.

DATE:

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## ITEM 6

## Car Parking

Report of the Planning Portfolio Holder

### Recommended:

1. That the Council's pay and display tariffs are reinstated with effect from 8 June 2020.
2. Except that, for a period of one month until 8 July 2020, the tariff charge for up to two hours continues to be waived in all of the Council's pay and display car parks.

### SUMMARY:

- This report considers the impact of COVID-19 on the Council's Car Parking function in relation to the proposed easing of lockdown restrictions
- The proposals seek to strike a balance between support for town centres and the Council's own financial constraints by introducing a transition period of continued free parking for shoppers of up to two hours until 8 July 2020.

### 1 Introduction

- 1.1 This report sets out proposals for the Council's pay and display car parks in response to the gradual relaxation of lockdown arrangements related to Covid-19.

### 2 Background

- 2.1 As a direct consequence of the lockdown announcement made by the Prime Minister on 25 March, the council took the decision to suspend all parking charges in its car parks.
- 2.2 The restrictions on movements during this period meant that people should not have been using our town centre car parks unless it was absolutely essential for them to do so.
- 2.3 With the recent announcements regarding the easing of lockdown restrictions the Council needs to consider the position regarding car parking charges. Indications are that at present some shops in town centres will be able to reopen on 1 June 2020.
- 2.4 The Council's financial resources have not been immune from the impact of Covid-19 and any proposals regarding the car parking charges will need to be considered in this context.



### **3 Corporate Objectives and Priorities**

- 3.1 The measures imposed during lockdown in response to Covid-19 have had a very significant impact on town centres nationally. Supporting our town centres is one of the Council's key corporate priorities. As these measures start to be relaxed, the Council has to weigh up the measures that may assist with their recovery and the Council's own financial position and the demands upon our resources.

### **4 Options**

- 4.1 Lockdown measures will not be switched off in their entirety in one fell swoop, resulting in our town centres springing back into life, just as they were prior to Covid -19. Instead there will be a gradual relaxing of lockdown measures with the possibility that these measures will be reinstated if infection rates start to climb.
- 4.2 The arrangements for the car parking charges need to be considered in this context, alongside other factors such as the financial implications for the Council of the ongoing suspension of car parking charges.
- 4.3 The easing of lockdown measures may lend itself to a transitory arrangement for car parking charges. Option 2 below reflects this transitory approach, seeking to balance supporting our town centres with an element of short stay free parking for an initial period to encourage footfall.
- (i) Option One – Reinstate all car parking charges from 8 June 2020
  - (ii) Option Two - Provide up to two hours free parking in town centre car parks for one month from 8 June 2020.

### **5 Option Appraisal**

#### **5.1 Option 1 - Reinstate all car parking charges from 8 June 2020**

- 5.1.1 This option would see from the 8 June 2020 parking charges reinstated. The general public would be expected to pay to use of the Council's car parks, across all the tariff ranges (see Appendix 1), in all Council car parks.
- 5.1.2 The suspension of car parking charges was introduced as a response to lockdown measures which included confining people to their homes. As these lockdown measures were extended on two successive occasions, the Council confirmed that the suspension of car parking charges was being continued for the same period and kept under review.
- 5.1.3 These lockdown measures are now being eased and people are able to leave their homes once again. The latest government guidance indicates that some shops in the town centres will be able to open for trading again with effect from 1 June. This reflects a change in the circumstances that led to the temporary suspension of car parking charges.

- 5.1.4 Under this option, the temporary suspension of car parking charges will come to an end on 8 June 2020, with charges reflecting the new tariffs recently agreed by Cabinet (Appendix 1).
- 5.1.5 Footfall into the town centre is likely to be significantly reduced when compared to pre Covid-19 measures and Option 2 below offers a transition arrangement to seek to encourage visits to the town centres as they gradually reopen for business.
- 5.2 **Option 2 – Provide up to two hours free parking in town centre car parks for an initial period (recommended option)**
  - 5.2.1 This option proposes a transition arrangement from the current suspension of charges. This would see the tariff rate of up to two hours for £1.00 set for a majority of the Council's car parks replaced with 'no charge' for a transitional one month period with effect from 8 June 2020.
  - 5.2.2 This would encourage visits to the town centre shops that are reopening and, whilst complying with government guidelines for social distancing, allow sufficient time to queue for and make essential purchases.
  - 5.2.3 The charges for longer stay parking would apply as usual from 8 June 2020.
  - 5.2.4 There would be an additional budget pressure for the Council in offering an up to two hour free period for the one month period.

## **6 Risk Management**

- 6.1 An evaluation of the risks associated with the matters in this report indicates that further risk assessment is not needed because the changes / issues covered do not represent significant risks.

## **7 Resource Implications**

- 7.1 During the period relating to the suspension of car parking charges, the Council's estimated loss of income amounts to over £380k. The budgetary cost of deferring all charges for another month would be c.£180k. The reintroduction of some longer stay charges will help to offset some of this loss of income. It is also important to note that parking demand is well below normal levels and will take time to recover. Assuming that demand is roughly half normal levels, then the actual cost of this proposal is likely to be in the region of £90k.
- 7.2 In the overall context of estimated net Council losses of around £3.5M due to the Covid-19 pandemic and given the Council's levels of reserves, option 2 is affordable and gives the public and businesses a transition period to allow time to gear up to full charging again wef 8 July 2020.
- 7.3 There may be some NHS workers who have purchased season tickets and are now entitled to free parking in the Council's car parks under the new government arrangements. At present this scheme is open ended and no end date has been provided. Any NHS worker who has purchased a season ticket that is no longer required because of these arrangements, can return it to the Council's parking team for a refund for the part of the season ticket covered by their NHS permit. It is not anticipated this will be a significant issue in Test Valley.

## 8 Legal Implications

- 8.1 There are no legal implications of this decision. Given the value of the matter in question, a decision of Cabinet is required on the recommendation.

## 9 Conclusion and reasons for recommendation

- 9.1 This report sets out the Council's response to the gradual relaxation of lockdown measures and the impact on town centre car parks. The report recommend that for a transition period of one month, an element of free parking be retained to support visitors returning to the town centre as shops begin to reopen.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Planning ) Councillor N Adams-King			
Officer:	Simon Ellis	Ext:	8301
Report to:	Cabinet	Date:	29 May 2020

**ANNEX**

**PARKING CHARGES AND TIME LIMITS (ANDOVER)**

<b>Car Park No on Map</b>	<b>Andover</b>	<b>Up to 2 hours</b>	<b>Up to 3 hours</b>	<b>Up to 4 hours</b>	<b>Up to 5 hours</b>	<b>All Day</b>
10	Chantry Centre Multi Storey Car Park (level 1a & 2 only) Andover	£1.00	-	-	-	-
11	George Yard (West Side) Andover	£1.00	-	-	-	-
2	Black Swan Yard, Andover	£1.00	-	-	-	-
8	Borden Gates, Andover	£1.00	-	-	-	-
20	Town Mill, Andover	£1.00	-	-	-	-
9	Anton Mill Road (north east end), Andover	£1.00	£2.00	-	-	-
5	George Yard, (east side) Andover	£1.00	£2.00	£3.00	£4.00	£5.90
12	Marlborough Street (east side of Anton House) Andover	£1.00	£2.00	£3.00	£4.00	£5.90
6	South Street, (east side) Andover	£1.00	£2.00	£3.00	£4.00	£5.90
7	South Street (west side - adjacent Pentecostal Church) Andover	£1.00	£2.00	£3.00	£4.00	£5.90
10	Chantry Centre Multi Storey Car Park (levels 2a and above only) Andover	£1.00	£2.00	£3.00	£4.00	£5.90
30	West Street (north west end) Andover	£1.00	£2.00	£3.00	£4.00	£5.90
13	Leisure Centre, Andover	£1.00	£2.00	£3.00	£4.00	£5.90
14	The Acre, Andover	£1.00	£2.00	£3.00	£4.00	£4.40
15	Winchester Road, Andover	£1.00	£2.00	£3.00	£4.00	£4.40
16	Anton Mill Road, Andover (Long stay)	£1.00	£2.00	£3.00	£4.00	£4.40
28	Shepherds Spring Lane, Andover	FREE	£1.20	£3.00	£4.00	£4.40
28	Shepherds Spring Lane, Andover Coaches / Market Traders	£3.50	£3.50	£3.50	£3.50	£7.00

**ANNEX**

**PARKING CHARGES AND TIME LIMITS (ROMSEY)**

<b>Car Park No on Map</b>	<b>Romsey</b>	<b>Up to 2 hours</b>	<b>Up to 3 hours</b>	<b>Up to 4 hours</b>	<b>Up to 5 hours</b>	<b>All Day</b>
33	Broadwater Road, Romsey	£1.00	-	-	-	-
52	Church Road, Romsey	£1.00	-	-	-	-
34	Crosfield Hall (Broadwater Road side) Romsey	£1.00	-	-	-	-
37	Crosfield Hall (south side) Romsey	£1.00	£2.00	£3.00	£4.00	£5.90
38	Lortemore Place (Abbey Walk side) Romsey	£1.00	-	-	-	-
39	Lortemore Place, (Latimer Street Side) Romsey	£1.00	£2.00	£3.00	-	-
32	Newton Lane Romsey	£1.00	£2.00	£3.00	-	-
51	Princes Road, Romsey	£1.00	£2.00	£3.00	£4.00	£4.40
44	Alma Road	£1.00	£2.00	£3.00	£4.00	£4.40
49	Romsey Rapids, Romsey	FREE	FREE	FREE	£2.10	£2.10
49	Romsey Rapids, Romsey Coaches and buses	£3.50	£3.50	£3.50	£3.50	£7.00