

CABINET

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REPORT NO. FIN2408**

4 JUNE 2024

KEY DECISION: NO

SUPPORTING LOCAL BUSINESSES IN NORTH CAMP

**BUSINESS RECOVERY RELIEF –
LYNCHFORD ROAD**

SUMMARY:

Businesses in North Camp have been severally impacted by the closure of the carriageway on Lynchford Road and disruptions to traffic flows caused by Hampshire County Council's North Camp Accessibility Scheme. Several businesses have closed because of the impacts of the scheme; others have incurred significant debts. One business is currently closing down.

In June 2023 Members agreed a series of measures to support local businesses. This included:

- A local Business Interruption Relief Policy which enabled the council to award business rates relief of up to 100% for the period 1 October 2022 to 31 March 2024.
- Amended parking charges at Peabody Road Car Park and Napier Gardens Car Park to encourage visitors into the area, increase footfall and boost local trade.
- A marketing campaign to help attract visitors into the area.

Although works have now finished, the considerable impacts of the disruption are still being felt by local businesses. To give businesses time to recover and to help encourage footfall and trade back into the area, a further series of measures are proposed.

RECOMMENDATIONS:

Cabinet is recommended to:

- Adopt a Business Recovery Relief Policy to enable the council to award business rates relief of up to 100% for a further six months (from the period 1 April 2024 to 30 September 2024), to those retail and hospitality businesses on Lynchford Road who received the original business interruption relief.

- Agree to extend existing free parking at Peabody Road and Napier Gardens Car Parks by six months, up to 30 September 2024.
- Endorse further measures to boost footfall and trade in North Camp.

1. INTRODUCTION

- 1.1 Lynchford Road is in North Camp and stretches from the A331 roundabout up to the Holiday Inn situated at the roundabout which adjoins to the A325, (Farnborough Road). See image below.



- 1.2 In late Autumn 2022, as part of the Farnborough Transport Improvements Package, works started on A3011 Lynchford Road. The scheme is intended to make daily travel easier, support business growth, reduce journey times, improve air quality, and create an enhanced environment. Works were completed in March 2024.
- 1.3 The details of the North Camp Accessibility Scheme can be found at [Farnborough Transport Improvements | Transport and roads | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk/transport-and-roads/farnborough-transport-improvements).
- 1.4 The Lynchford Road phase of the scheme meant the westbound closure of Lynchford Road. This had a significant impact on local businesses. The closure of one lane, diversionary routes which avoided the area, works outside shopfronts and the removal of parking bays saw businesses suffer from a reduction in footfall and passing trade.
- 1.5 North Camp has a number of small, independent traders who rely on regular customers. Its offer is quite unique. The businesses particularly impacted on Lynchford Road serve the convenience market, relying on the ability of customers to 'pull up' and meet an identified need quickly.
- 1.6 The reduction in customers and lost revenue has seen several businesses close or move out of the area during the works. One business on Camp Road is in the process of closing down now despite the end of the works. Some businesses have incurred significant debts. Without some further

support it is possible further businesses will cease trading before footfall and trade fully recover.

- 1.7 This report sets out the Council's intention to introduce a further local business rates relief policy to help businesses on Lynchford Road recover from the disruption caused by the works.
- 1.8 Alongside this relief UK Shared Prosperity Funding will be allocated for measures intended to encourage footfall and trade in North Camp.
- 1.9 This package has been informed through close engagement with the local business community. This engagement is ongoing and will continue to shape how the council can ensure the area remains a vibrant business community.

2. BACKGROUND

- 2.1 Section 47 of the Local Government Finance Act 1988 enables councils to grant discretionary rate relief only in specified circumstances.
- 2.2 They could top up the 80% Mandatory Relief available on premises occupied by charities and CASCs and they could award up to 100% discretionary relief to not-for-profit making bodies who do not qualify for any mandatory relief due to not holding charitable status.
- 2.3 Section 69 of the Localism Act 2011 amended 47 of the Local Government Finance Act 1988 and came into effect on 1 April 2012.
- 2.4 The purposes of this Act allowed for an extension of the existing provisions, in that discretionary rate relief may be granted in any circumstances where a local authority sees fit, having regard to the effect on Council Taxpayers in their area.

3 CONSULTATION

- 3.1 The council is committed to supporting a thriving local economy, with vibrant and distinctive town centres. Throughout the duration of the works the council has sought to support businesses in the area and help them mitigate the impacts of the scheme.
- 3.2 This support has been underpinned by robust business engagement. This has included several 'door-to-door' exercises with businesses on Lynchford Road and Camp Road. Over the last few weeks businesses have been asked for their views on measures which could boost footfall and trade in the area.
- 3.3 Despite the end of the works, representations continue to be received from local retailers highlighting the detrimental impact of the scheme on their businesses. Where these comments relate to the current functioning of the highway, these matters are referred to Hampshire Highways.

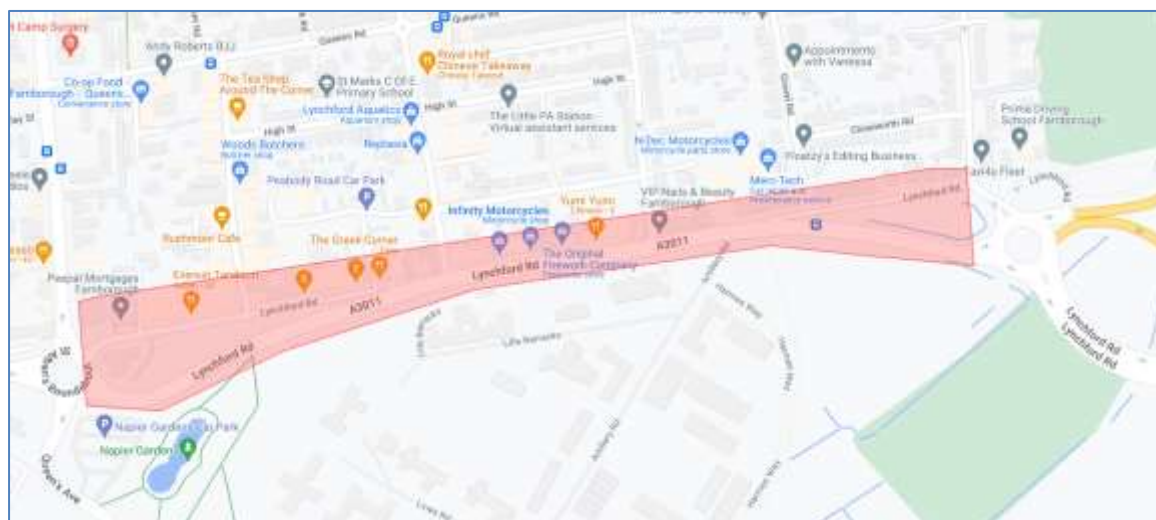
3.4 Businesses have consistently asked for direct compensation from the county council to mitigate their loss of income during the works. The council has also lobbied the county council to this effect on the behalf of businesses, most recently in writing through the relevant Portfolio Holder in February 2024. This request, for direct business compensation and financial support for measures to encourage footfall and trade, was declined.

4 BUSINESS RECOVERY RELIEF POLICY – LYNCHFORD ROAD

4.1 Building on the Business Interruption Relief Policy – Lynchford Road previously adopted by Members in June 2023, the council will introduce a new local business rates relief policy to support businesses on Lynchford Road who were directly impacted by the North Camp Accessibility Scheme and need support to recover.

4.2 This new scheme of relief is to be called Business Recovery Relief - Lynchford Road. Full details of the policy are included in Appendix 1 of this report.

4.3 The package of relief is only available to retail and hospitality businesses located on Lynchford Road between St Albans roundabout and the A331 roundabout (area highlighted in the image below) because these businesses were most directly impacted by the roadworks and in receipt of the original relief.



4.4 Other businesses in North Camp i.e., not between St Albans roundabout (near Napier Gardens) and the A331 roundabout, who can demonstrate financial hardship as a result of the works, can use other relief packages available to them such as Hardship Relief. The council will continue to ensure that all businesses in the area are aware of these business support channels.

4.5 Properties that will benefit from the relief must be occupied and are wholly or mainly used as shops, restaurants, cafes, drinking establishments and the hospitality sector (including Airbnbs).

Excepted Organisations

- 4.6 Relief cannot be granted to excepted properties. i.e., one where all or part of the property is occupied by any of the following: -
- A billing authority, such as Rushmoor Borough Council; or
 - A precepting authority such as Hampshire County Council, Police and Crime Commissioner and Hampshire Fire and Rescue Authority.

Administration of Business Interruption Relief – Lynchford Road

- 4.7 The relief will be automatically awarded to all businesses identified as being eligible for the relief.
- 4.8 The relief will be applied against the net bill after all other reliefs have been applied, such as Small Business Rate Relief and the Retail, Hospitality and Leisure Relief.
- 4.9 The maximum amount of relief to be awarded to any one business is 100%. Most businesses on Lynchford Road will either receive Small Business Rate Relief or Retail, Hospitality and Leisure Relief.
- 4.10 Relief will be awarded for the period 1 April 2024 to 30 September 2024.
- 4.11 The total amount of relief to be provided to businesses will be £26,271.17 and the financial cost to the council is £10,508.47.

MEASURES TO SUPPORT FOOTFALL AND TRADE IN THE LOCAL AREA

- 4.12 Alongside this relief, £10,000 of UK Shared Prosperity Funding has been allocated to support measures which are intended to encourage footfall and trade in North Camp.
- 4.13 A package of measures will be implemented. This has been informed through consultation with the local business community.
- 4.14 To help encourage visitors into the area, the funding will support an extension to the existing free car parking provision in North Camp. For the duration of the works free parking has been available all day at Napier Gardens Car Park, with one-hour free parking at Peabody Road Car Park. This will be extended for a further six months from 1 March 2024 to 30 September 2024.
- 4.15 In addition, the following measures will be implemented:
- 4.16 Businesses have requested improved signage and wayfinding. An audit will be undertaken to determine the most appropriate locations for improved or additional signage.

- 4.17 A Shop Front Improvement Grant Scheme will be made available to businesses in North Camp. This will provide small grants for retailers looking to make improvements to their premises.
- 4.18 The 'North Camp is Open' marketing campaign implemented in summer 2023 will be renewed. This will promote the local area and highlight the breadth of small and independent businesses in North Camp.

5 **IMPLICATIONS**

Risks

There are no significant risks associated with this report.

6 **Legal Implications**

Discretionary Rate Relief – specified organisations under the Localism Act 2011

- 6.1 This provision provides local authorities flexibility in granting relief to any organisation where it is felt that to do so would be of benefit generally to the borough and be reasonable given the financial effect to Council Taxpayers.
- 6.2 Government has not issued any guidance in how this power might be used except advising that relief *“may be granted in any circumstances where a local authority sees fit, having regard to the effect on Council Taxpayers in the area”*.
- 6.3 The issue of some discretionary rate reliefs are considered as qualifying as “subsidy” and is of some significance.
- 6.4 Broadly, any awards of discretionary rate relief or discounts are subject to Subsidy Control. The Subsidy Control Act allows a business to receive £315,000 in a three-year period (consisting of the current financial year and the two previous financial years).
- 6.5 However, due to the relatively low level of reliefs being applied to these businesses, it is unlikely that they will exceed subsidy limits.

Financial Implications

- 6.6 The Business Rates Retention scheme has a fundamental set of arrangements for dealing with the cost of business rates. The cost to the Council of granting any Discretionary Rate Relief is most reliably estimated at being 40% of the value of the relief granted, although the cost is ultimately determined by a range of factors, such as the councils total rate receipts measured against its estimated threshold for growth and taking into account whether any payment levies or safety net contributions are payable or receivable.

- 6.7 The remaining 60% of the costs will be met by Central Government (50%), Hampshire County Council (9%) and Hampshire Fire and Rescue Authority (1%), under the Business Rates Retention Scheme.
- 6.8 There are 23 businesses on Lynchford Road that will qualify for some relief. The total value of relief is estimated to be £10,508.47. This has been budgeted for in the overall business rates income in 2024/25.
- 6.9 A dedicated amount of £10,000 in UK Shared Prosperity Funding has already been made available to support wider business support measures. In addition, businesses in North Camp will be eligible to apply for improvements under the UKSPF-funded Shop Front Improvement Grant scheme. These funding allocations have already been approved by Cabinet on 6 February 2024 (Report No. FIN2406).

Equalities Impact Implications

- 6.10 There are no negative equalities impacts associated with the measures outlined.

6 CONCLUSIONS

- 7.1 Cabinet is asked to approve the measures to support local businesses in North Camp many of which have been severely impacted by the North Camp Accessibility Scheme and need time to recover from the impacts of the works.
- 7.2 The Business Recovery Relief – Lynchford Road will target those retail and hospitality businesses most impacted by the disruption on Lynchford Road.
- 7.3 The relief will be delivered using existing Discretionary Powers under Section 47 Local Government Finance Act 1988 and the Localism Act 2011.
- 7.4 The council will proactively engage with all businesses in North Camp to ensure that businesses not automatically eligible for business rate relief, are aware of the support channels available to them, including Hardship Relief and other business support.
- 7.5 Extending free car parking provision, and other measures such as better wayfinding, are intended to increase footfall and boost local trade.
- 7.6 The council will continue to engage proactively with local businesses and the measures above will be widely promoted.

BACKGROUND DOCUMENTS:

Appendix 1: Business Recovery Relief – Lynchford Road Policy

S47 Local Government Act 1988, as amended
Localism Act 2011

Farnborough Transport Improvement Package - [Farnborough Transport Improvements | Transport and roads | Hampshire County Council \(hants.gov.uk\)](#)

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**Policy for Granting
Business Recovery Relief –
Lynchford Road
under the Localism Act 2011**

Contents

- 1. Introduction**
- 2. Provision of relief**
- 3. Localism Act 2011**
- 4. Which properties will benefit from relief?**
- 5. Excepted Organisations**
- 6. Administration of relief**
- 7. Cost of awarding relief**
- 8. Subsidy controls**

1. Introduction

- 1.1 The roadworks on the A3011 Lynchford Road, which are part of the wider Farnborough Transport Improvements Scheme, completed on 1st March 2024.
- 1.2 Work on the Farnborough Transport Improvements scheme started in October 2022 on the A3011 Lynchford Road. The scheme aims to make daily travel easier, support business growth, reduce journey times, improve air quality and create an enhanced streetscape with new segregated paths for cyclists and pedestrians and parking for cars and motorcycles.
- 1.3 The £10.8m scheme was funded by both Enterprise M3 Partnership (£6.472m) and Hampshire County Council (£4.408m).
- 1.4 The details of the Farnborough Transport Improvement scheme can be found at [Farnborough Transport Improvements | Transport and roads | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk/transport-and-roads)

2. Provision of relief

- 2.1 The Lynchford Road phase of the scheme meant the westbound closure of the A3011 Lynchford Road. This has had a significant impact on local businesses. The closure of one lane, diversionary routes which avoided the area, and the removal of parking bays has seen businesses suffer from a reduction in footfall and passing trade.
- 2.2 On 18th April 2023, Cabinet approved a relief provided for under the Localism Act 2011 to help businesses along the A3011 Lynchford Road, called Business Interruption Relief. This relief covered the net rates payable from 1 October 22 to 31 March 2024 to affected businesses on Lynchford Road who met the scheme criteria.
- 2.3 From 1 April 2024 the council is looking to provide relief to help businesses recover from the prolonged closure of the A3011 Lynchford Road and support businesses whilst they work to rebuild their customer base and recover lost revenue.
- 2.4 The Government is not changing the legislation around the reliefs available to properties, therefore the Council will use their discretionary relief powers, introduced by the Localism Act to grant relief.

3. Localism Act 2011

- 3.1 Prior to the Localism Act 2011, Section 47 of the Local Government Finance Act 1988 (LGFA 1988), Councils were able to grant discretionary rate relief only in certain specified circumstances. They could top up the 80% mandatory relief available on premises occupied by charities and Community Amateur Sports Clubs and they could award up to 100% relief to non-profit making bodies.

- 3.2 Section 69 of the Localism Act 2011 amended Section 47 of the LGFA 1988 came into effect on 1 April 2012. The purposes of that Act allowed for an extension of the existing provisions in that discretionary rate relief may be granted in any circumstances where a local authority sees fit, having regard to the effect on Council Taxpayers in the area.
- 3.3 The amendments also require billing authorities to have regard to any relevant guidance issued by the secretary of state when deciding whether to grant relief under S47 of the LGFA 1988.
- 3.4 Government has not issued any further guidance in respect of how this power might be used.
- 3.5 The English Guide to the Act addresses this as follows: -
“The Localism Act gives councils more freedom to offer business rates discounts – to help attract firms, investment and jobs. Whilst the local authority would need to meet the cost of any discount would from local resources, it may be decided that the immediate cost of the discount is outweighed by the long-term benefit of attracting growth and jobs to their area”.

4. Which properties will benefit from relief?

- 4.1 Properties that were in receipt of the Business Interruption Relief between 1 October 2022 and 31 March 2024 will automatically be eligible for the Business Recovery Relief.
- 4.2 To qualify for the relief the hereditament must continue to be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as Retail, Hospitality and Leisure Relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.
- 4.3 The list below sets out the types of uses that it is considered not to be retail use for the purpose of this relief.
- A) Hereditaments that are being used for the provision of the following services to visiting members of the public:
- Financial services (e.g., banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
 - Other services (e.g., estate agents, letting agents, employment agencies)
 - Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers, tutors)
 - Post office sorting office
- B) Hereditaments that are not reasonably accessible to visiting members of the public
- 4.4 It is proposed that when a particular type of property is not listed, the Council should consider whether relief is appropriate with the Finance Portfolio Holder who has

delegated powers to determine who can get relief and the value of relief within an existing policy.

4.5 The delegation above is also considered appropriate to decide any appeal made by a ratepayer against the non-award of relief.

4.6 The granting of the relief is discretionary. The Council may choose not to grant the relief if it considers, for example, that granting the relief would go against the authority's wider objectives for the local area. Because of this, it is proposed that this policy be approved by the Council's Cabinet.

5. Excepted Organisations

5.1 The Relief cannot be granted to expected properties, i.e., one where all or part of the property is occupied by any of the following

- A billing authority, such as Rushmoor Borough Council; or
- A precepting authority such as Hampshire County Council, Police and Crime Commissioner and Hampshire Fire and Rescue Authority

6. Administration of the Relief

6.1 The Relief will be automatically awarded to all businesses identified as eligible for the 6-month period 1 April 2024 to 30 September 2024.

6.2 The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

6.3 The relief will be applied against the net bill after all other reliefs. The maximum amount of this relief will be no more than the value of the net rate liability.

6.4 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to Subsidy Control limits.

7. Cost of awarding the relief

7.1 The cost of awarding all forms of rate relief is split between central government, billing authorities and major preceptors on a fixed percentage basis.

7.2 Central Government bears 50% of the cost, the county 9%, the fire authority 1% and billing authorities the remaining 40%.

7.3 It is estimated that there are 23 properties that may qualify for some relief on Lynchford Road, at a cost to Rushmoor Borough Council of £10,508.47.

8. Subsidy Controls

8.1 Subsidies may be paid in accordance with Part 3 Chapter 2 of the Subsidy Control Act 2022, which enables an applicant to receive up to a maximum level of subsidy, known as an MFA (Minimal Financial Assistance) where subsidy control requirements do not apply.

- 8.2 This allowance is £315,000 to a single enterprise over a period of three financial years (current year, plus previous 2 financial years).
- 8.3 This applies to the aggregate of all subsidies received throughout the country. It is proposed that the relief is awarded to every potential recipient (who must then decline the relief if not appropriate or wanted).