

Decision Maker: **EXECUTIVE**
For Pre-Decision Scrutiny by the Recreation, Renewal and Housing PDS Committee 2 February 2021

Date: **RR&H PDS - 2 February 2021**
Executive - 10 February 2021

Decision Type: Non Urgent Executive Key

Title: **ADDITIONAL RESTRICTIONS GRANT (ARG) PHASE 2**

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Ward: All Wards

1. Reason for report

The Council has received payment of £6,646,720 from the Ministry of Housing, Communities and Local Government (MHCLG) on behalf of Department for Business, Energy and Industrial Strategy ('BEIS'). This sum is to form the Council's Additional Restrictions Grant (ARG) which will be used to provide financial support to local businesses through grants and business support functions.

This report outlines a Phase 2 proposal for supporting businesses in the borough using the BIDs and Libraries as a vehicle for this support.

2. **RECOMMENDATION(S)**

That Members of the Recreation, Renewal and Housing Policy Development and Scrutiny Committee:

2.1 Review the content of this report and provide their comments to the Executive.

That the Executive:

2.2 Notes the content of this report and supports the approach to provide support to businesses in the borough using the BIDs and libraries as a vehicle for this support.

2.3 Approve the allocation of up to £700k from the ARG to the BIDs in the borough and £217k from the ARG to the library contractor, GLL.

Impact on Vulnerable Adults and Children

1. Summary of Impact: BIDs support the resilience of the local economy and therefore protect local employment for a range of people, including vulnerable adults. Many BIDs provide support to the wider community as well as the business community. Libraries provide support to all members of the community. Online library services were provided for children and vulnerable adults during the closure of libraries due to COVID-19. The ARG is a grant scheme for local businesses and will therefore have direct and indirect impacts on all residents.
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Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Vibrant, Thriving Town Centres Regeneration Excellent Council Supporting Independence
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Financial

1. Cost of proposal: up to £917k
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: New budget head for discretionary business grants
 4. Total current budget for this head: N/A new budget
 5. Source of funding: Central Government (BEIS) grant funding
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Personnel

1. Number of staff (current and additional): 0.81 fte Town Centres and BID Development Manager and 2.08 fte Libraries Client Team
 2. If from existing staff resources, number of staff hours: 29 hours per week and 75 hours per week respectively
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Legal

1. Legal Requirement: Non Statutory Government Guidance
 2. Call-in: Not Applicable
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Procurement

1. Summary of Procurement Implications: N/A
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
Businesses within BID areas - 600 in Bromley, 325 in Orpington, 300 in Beckenham and 240 in Penge.
The library service has a statutory duty to be available and accessible to all those who live, work and study in the borough. A 2017 estimate identified that 330,909 people live in the London Borough of Bromley. 34,962 registered users used their library card to borrow an item in 2019,

representing 10.6% of the population of Bromley. This does not include additional users who used the library solely for other purposes such as studying, attending activities, or using public PCs.

Ward Councillor Views

2. Have Ward Councillors been asked for comments? No
3. Summary of Ward Councillors comments:

3. COMMENTARY

Background

- 3.1** The Additional Restrictions Grant (ARG) is an allocation of £6,646,720 from the Ministry of Housing, Communities and Local Government (MHCLG) on behalf of Department for Business, Energy and Industrial Strategy ('BEIS'). The allocation has been paid to the Council based on a calculation of £20 per head of population within each local authority or business rate billing authority.
- 3.2** The ARG scheme is intended to take the form of discretionary grants to businesses but can also be used to fund wider business support activities. This is a one-off payment with all funds spent by end March 2022.
- 3.3** Following consideration and at the Executive, Resources and Contracts Policy PDS Committee meeting on 6th January 2021, a Leader executive decision approved the allocation of £5.5m from the ARG for Phase 1 to support the five following workstreams - Business Hardship Fund, Innovation Grants, Online Enterprise Hub, Lockdown Top-up Grant and an Independent Public House and Clubs grant. £1.1m of the ARG remains unallocated at this stage.
- 3.4** Guidance on the grants has been provided, including a series of FAQs, to enable each Local Authority to establish their own criteria to respond to the needs in their community in line with the guidance.
- 3.5** The guidance states that the ARG funding can be provided to support wider business support activities. Specifically, the ARG can be provided to Business Improvement Districts (BIDs) to support them with the shortfall in their levy income, provided that the BID body is not the Local Authority, or a company under the control of the Local Authority.
- 3.6** It is proposed that Phase 2 of the ARG funding support two further workstreams – the allocation of up to £700k to the BIDs to support businesses in the BID areas and the allocation of £217k to the library contractor to enable them to provide support to businesses across the borough.

Workstream 1: Supporting Businesses through BIDs

- 3.7** It is recognised that the BIDs play a vital role in the recovery of the local economy and specifically to the town centres within the borough. During the pandemic, the BIDs have provided pivotal support to their businesses. This support has included the dissemination of information regarding financial support for businesses from Central Government, advice and guidance on reopening safely and providing a COVID-secure business, working in partnership with the Council on social distancing measures to enable a safe shopping environment and providing customers with the confidence to return to the town centres, and working in partnership with the Council to contact businesses that were eligible for grants.
- 3.8** The BIDs relationships with the businesses and the knowledge of their town makes them best placed to provide this business support in an efficient and concise manner and in a way that is relevant to businesses.
- 3.9** The Council would like to support businesses within the 4 main town centre BID areas and therefore it is proposed that the ARG provides each BID with funding to administer a business grant scheme. This is in recognition that these businesses in BID areas invest in their local economy and are key to the Council's ambition of Vibrant and Thriving Town Centres.
- 3.10** This grant scheme will provide financial support to small, independent businesses in the BID areas. These businesses will also need to have paid their BID levy or committed to paying their BID levy to be eligible to apply. Businesses that have paid their BID levy demonstrate support

for the BID and also that the business is sustainable. Grants will be banded based on the rateable value of premises.

- 3.11** The precise eligibility criteria will be determined by the BIDs as each BID differs with the number of independent businesses, the rateable value of premises and their grant allocation. The Town Centres and BID Development Manager will review the precise eligibility criteria for each BID prior to the grant scheme launch to ensure the criteria outlined in 3.10 is included, that audit requirements are met and that there is consistency between the BIDs.
- 3.12** The eligibility criteria are in line with the guidance provided by the ARG and this grant scheme will provide support to businesses in town centres that have been significantly and adversely affected by the impact of COVID-19. It is anticipated that this grant scheme, along with the other financial measures of support for businesses provided by Central Government, will put our town centres in a strong position to recover from the impacts of COVID-19.
- 3.13** The BIDs will be required to submit a weekly monitoring report on how many businesses have received grants and the amount of grant funding paid. This data will be submitted as part of the Delta submissions the Council already completes regarding the other business grant schemes. The BIDs will also be required to submit an end of year report in March 2022 for audit purposes.
- 3.14** The grant allocation for each BID will be based on 50% of their total annual billed BID levy for 2021/22. The BIDs will be expected to ring fence this grant allocation separately from their BID levy accounts. This transparent approach enables the ARG funding to be allocated to the BIDs in fair way and in turn provide financial support to the businesses. The total annual billed levy for 2021/22 is not available yet and therefore the requirement from the ARG of up to £700k has been calculated based on the BID levy that was due in 2020/21. Table 1 outlines the BID levy that was due in 2020/21, along with a calculation of the 50% requirement from the ARG.

Table 1: BID levy 2020/21

	BID levy 2020/21	50% BID levy
Bromley BID	£651,682	£325,841.00
Orpington BID	£193,005	£96,502.50
Beckenham BID	£253,641	£126,821.50
Penge BID	£148,619	£74,309.50
Total:	£1,246,947	£623,473.50

- 3.15** The BID levy does vary from year to year. It has been assumed for the 2021/22 BID levy that there will be a 2% increase for the fluctuation in levy year on year due to changes to business profiles and 3% has been factored in for the inflation increase. This would result in the anticipated BID levy for 2021/22 being in the range of £655k to £665k. This will leave a buffer of £45k to £35k to reach the maximum ceiling of £700k. This buffer has been included as Bromley BID is subject to renewal in April 2021 and their BID area has changed slightly which will have an impact on the BID levy.
- 3.16** The BIDs will be expected to distribute as much of the grant allocation as possible to businesses within the BID area. It is anticipated that the BIDs will be able to allocate a minimum of 90% of the grant to businesses. It will be difficult for any BID to allocate 100% of the grant to businesses as the number of independent businesses change throughout the year as does the

rateable value of premises. Therefore, the BIDs will be forecasting their grant allocation in April and will need to introduce a contingency to allow for changes in business profiles throughout the year. Any unallocated funding over and above 90% can be redirected by the BID for business support projects in agreement with the Council. In the unlikely event that a BID that does not distribute 90% of the grant allocation, this unallocated grant funding will be returned to the Council and redirected to support other elements of the ARG. This allocation of the grant funding by the BIDs will be monitored by the weekly reports and any unallocated funding will be reviewed by December 2021.

3.17 Bromley BID are undertaking a renewal ballot on the 25th February 2021 to continue the BID for a further 5 years. If this ballot is unsuccessful the BID will discontinue. In the event of an unsuccessful ballot, the Council will retain the Bromley element of the ARG funding and look at how best to support businesses with this funding going forward. If Bromley BID are unsuccessful at ballot, this will be the subject of a future committee report and will include options for the ARG funding.

Engagement

3.18 The BIDs have been members of the Business Support Task Force since its inception in May 2020, and therefore have played a fundamental role working with the Council to provide business support throughout the pandemic and in shaping how the local economy can start to recover.

3.19 The BIDs participated in the business engagement sessions on the ARG funding held in November 2020 to identify the support and needs of businesses in the borough.

3.20 There has also been a subsequent discussion with the BIDs regarding this specific grant scheme and how best the Council and the BIDs can support businesses in the town centres. Each BID is supportive of the approach for the grant scheme and welcomes the partnership approach to supporting the businesses within the BID areas.

3.21 This grant scheme is also supported by British BIDs, the national body providing advice and guidance to BIDs.

Timescales

3.22 Subject to Executive approval, 50% of the BID levy for the financial year 2021/22 will be issued to each BID by the 1st April 2021.

3.23 It is anticipated that the grant schemes will be launched by the BIDs by May 2021. This will enable time for the BIDs to review any BID levy payments made in April as businesses that have paid their BID levy will be eligible to apply for this grant scheme. Due to the timing of the Bromley BID renewal ballot, the invoices for the BID levy will be issued a month later than the other BIDs and therefore it is anticipated the launch of their grant scheme will be by July 2021.

3.24 It is expected that the BIDs will distribute this funding to businesses in a timely manner and allocate payments to businesses as soon as practically possible following the launch of the grant scheme.

3.25 Once launched the BIDs will submit weekly reports on the number of businesses that have received a grant and the amount of grant funding paid. Any unallocated grant funding will be reviewed by December 2021.

Workstream 2: Supporting Businesses through Libraries

3.26 Public Libraries are ideally placed to act as recovery hubs, providing support for both job seekers and entrepreneurs. The 14 libraries in Bromley are highly accessible and evenly distributed across the borough, enabling them to be able to deliver support to business start ups and entrepreneurs across the whole borough.

3.27 It is proposed that Bromley Libraries offer a 1 year programme of support for business start-ups and entrepreneurs, this would be branded as “Start Up Bromley”. The primary focus of this support will be for business start-ups however support would also be provided to small businesses already in existence but have not yet developed to their full potential. The full proposal is attached see **APPENDIX 1 PROPOSAL FOR START UP BROMLEY**

3.28 The programme of support will include:

- One to one support sessions for businesses – held throughout the year giving entrepreneurs the opportunity to discuss particular challenges they are experiencing, their business model and to receive business advice and guidance
- Small Business Showcase Events – a minimum of 3 events will be held throughout the year and these events will be an opportunity for local businesses to showcase their products. Libraries will be used as the venues for these showcases enabling library customers to buy locally produced goods.
- British Library Seminars for Small Businesses – business start-ups and entrepreneurs will be able to access free workshops and seminars hosted by the British Library on a range of topics aimed at supporting small businesses.
- Start Up Bromley Business Lounge – provision of a dedicated business area in Bromley Central Library and Orpington Library. This business space would provide an area where entrepreneurs could work, meet and access support for their small business.
- Start Up Bromley Small Business Network – provide an opportunity for entrepreneurs to meet other entrepreneurs and build a network of support, sharing of good practice and resources and providing an opportunity to learn from other successful start-ups or established businesses.
- Information Support – Bromley Libraries has a wide range of business information support. Individual sessions will be held to aid understanding of how these resources can be used effectively both in a library and from home.

3.29 To run this programme, a Business Support Officer will be appointed by GLL who will be based at the Central Library in Bromley Town Centre but would also be providing business support sessions and showcase events in other libraries in the borough. This programme of business support will also be accompanied by an extensive marketing campaign.

3.30 The Business Lounge facility will be provided at the Central Library. This will include a dedicated business work space and also the facility to hire smaller rooms for meetings. A smaller Business Lounge facility will also be provided at Orpington Library. It is anticipated that the Business Lounge will be able to accommodate 6 entrepreneurs at any one time. These two key library sites were identified as having sufficient capacity to accommodate the Business Lounge and also were located in areas of the borough that would be accessible.

3.31 The library contractor, GLL, have provided a similar programme of support in their Greenwich Libraries partnership following European funding. The programme in Greenwich, now in its second year, has supported 244 aspiring entrepreneurs to date.

3.32 The costs of this proposal are outlined in Table 2. The library contractor, GLL, have confirmed that they would like to continue to provide elements of this service after this 1 year programme of funding has ceased. Any further extension to this programme will be funded by GLL and there will be no negative implications on the costs of the Council's contract with GLL. There will be no further costs to the Council with any extension to this programme.

Table 2: Costs associated with 1 year programme

Salary costs for Business Support Officer	£40,000
Administrative and Management Support	£25,000
Marketing	£10,000
Bromley Business Lounge	
<ul style="list-style-type: none"> • Central Library redecoration, furniture and carpet 	£63,000
<ul style="list-style-type: none"> • 3 other meeting rooms at Central Library – redecoration, furniture and carpet 	£18,000
<ul style="list-style-type: none"> • Orpington Library – redecoration, furniture and carpet 	£18,000
<ul style="list-style-type: none"> • ICT equipment – Central Library 	£11,290
<ul style="list-style-type: none"> • ICT equipment – Orpington Library 	£11,290
<ul style="list-style-type: none"> • Management fee of 10% (including National Libraries Director and Sector Libraries Manager) 	£19,658
Total	£216,238

Timescales

3.33 Subject to Executive approval, it is anticipated that the Start Here programme and associated Business Lounge will be launched in April 2021. The libraries are currently closed which will enable refurbishment whilst customers are not in the library.

3.34 Quarterly monitoring reports will be provided by the library contractor on how the funding has been spent, along with an end of year report in March 2022. These monitoring reports can be brought to a future committee meeting if Members require and can be included in the two reports on the performance of the Libraries Contract which take place in March and September each year.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 BIDs support the resilience of the local economy and therefore protect local employment for a range of people, including vulnerable adults. Many BIDs provide support to the wider

community as well as the business community. The business support provided by the BIDs is for local businesses in town centres and will therefore have direct and indirect impact on all residents. Libraries provide support to all members of the community. Online library services are provided for children and vulnerable adults during periods of closure of library buildings due to COVID-19.

5. POLICY IMPLICATIONS

- 5.1** The proposals support delivery of the Council's objectives of Vibrant Thriving Town Centres, Regeneration, and Supporting Independence under the Council's vision for Building a Better Bromley. A vibrant local economy is necessary to support these objectives and will directly benefit from this scheme.

6. PROCUREMENT CONSIDERATIONS

- 6.1** If approved, a Contract Change Control Notice will be issued for the contract with GLL the library contractor, and the BIDs.

7. FINANCIAL IMPLICATIONS

- 7.1** The ARG Scheme is funded by Central Government. The Council have received £6,646,720 which will be used to provide financial support to local businesses through grants and business support functions. The allocation of £5.5m from the ARG was authorised by Leader decision following consideration at the Executive, Resources and Contracts Policy PDS Committee meeting on 6th January 2021, with £1.1m remaining. If approved, this proposal will allocate a further £917k, with £183k remaining. This funding is intended to enable local authorities to provide support through to March 2022; therefore, the unallocated element of the grant will need to be carried forward into the next financial year and will be reflected in the final accounts report at year end.
- 7.2** There are no set up or administrative costs associated with either of these proposals.
- 7.3** If approved, the funding will be provided to the BIDs and the library contractor via the usual payment processes already set up with the BIDs and GLL.
- 7.4** The costs of any extension of business support in libraries beyond the grant funding period will be met by GLL at no cost to the Council.

8. PERSONNEL IMPLICATIONS

- 8.1** There are no staffing implications associated with this proposal

9. LEGAL IMPLICATIONS

- 9.1** This report seeks to approve funding up to £700k from the Additional Restrictions Grant (ARG) (which is grant scheme for local businesses that will have a direct and indirect impact on all residents) to the BIDs in the borough and also £217k from ARG to the Library Contractor.
- 9.2** LBB has received a payment of £6,646,720 from the Ministry of Housing Communities and Local Government (MHCLG) on behalf of the Department for Business, Energy and Industrial Strategy (BEIS). The sum will form LBB's ARG to be used to provide financial support local businesses through grants and business support functions.
- 9.2.1** The proposed ARG Scheme will be delivered in phases. The Government requirement is that all monies will be allocated by 21.03.22. At the Committee meeting held on 6th January 2021, the

allocation of £5.5m allocation was approved from the ARG for Phase 1 to support five workstreams. £1.1m of the ARG remains unallocated.

- 9.4 This Report outlines Phase Two of the proposal to support businesses in the borough using the BIDS and libraries as a vehicle for this support. Subsequent phases will be subject to future reports as and when they are developed. The guidance states that Government expect the scheme to take the form of discretionary business grants.
- 9.5 The ARG scheme will therefore take the form of discretionary grants to businesses but may also be used to fund wider business support activities. It's a one-off payment and the Government has published general guidance in relation to the administration of the Local Authority Discretionary Grant Funds. The guidance states that the ARG funding can be provided to support wider business support activities and that the ARG can be provided to Business Improvement Districts (BIDs) to support them with the shortfall in their levy income, as long as the BID body is not the Local Authority, or a company under the control of the Local Authority.
- 9.6 The grant must be administered within the parameters set out in the guidance and at the discretion of the Council. The report also sets out the criteria that the Council will apply to distribute the grant. Officers should ensure grant recipients sign appropriate grant terms and conditions which should deal with claw back provisions in the event of fraud.
- 9.6 The Council must also comply with the grant conditions attached to the grant and ensure that recipients also comply to ensure the proper use and accounting of the grant paid. The Council has the legal power to receive and distribute the grant and to make discretionary grant determinations as permitted within the grant award. The Council must have due regard to all relevant circumstances including government guidance and local need when deciding on discretionary allocations.
- 9.7 The Council must make decisions in accordance with the law and also in accordance with its fiduciary duty to its taxpayers in using Council resources. The report mentions the headline needs and benefits including the social and financial benefits that must be properly weighed up and considered before taking decisions when accepting grant, applying and setting award criteria for allocation and applying resources generally.
- 9.8 The Council has power under Section 1 of the Localism Act 2011 to deliver grant funding to business it deems as eligible.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	ADDITIONAL RESTRICTIONS GRANT SCHEME (ARG SCHEME) 6 th January 2021 (HPR2021/55)