

**Decision Maker:** **LEADER'S DECISION**  
For Pre-Decision Scrutiny by the Renewal, Recreation and Housing PDS Committee

**Date:** circulated by e-mail 15 March 2021

**Decision Type:** Urgent Executive Key

**Title:** **ADDITIONAL RESTRICTIONS GRANT SCHEME (ARG SCHEME)**

**Contact Officer:** Robert Buckley, Head of Town Centre Renewal  
Tel: 020 8313 4180 E-mail: Robert.buckley@bromley.gov.uk  
  
Alicia Munday, Interim Assistant Director of Culture & Regeneration  
Tel. 020 8313 4559 E-mail: Alicia.munday@bromley.gov.uk

**Chief Officer:** Sara, Bowrey, Director of Housing, Planning, Property and Regeneration

**Ward:** All Wards

---

1. Reason for report

The Council has received payment of £6,646,720 in November 2020 from the Ministry of Housing, Communities and Local Government (MHCLG) on behalf of Department for Business, Energy and Industrial Strategy ('BEIS'). This sum was 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. In February 2021 a further ARG Top Up of £2,952,158 was granted. The total received to date is therefore £9,598,878.

This report outlines our proposed ARG Scheme which will be delivered in phases. There is a Government requirement that all monies be allocated by 21 March 2022. This report includes an update on the scheme, payments made, and recommendations for Phase 3.

---

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 Leader:**

- 2.2** Authorise payments to be made based on the proposed eligibility criteria as detailed in section 4, which has been developed in line with the guidance from MHCLG noting that subsequent phases will be subject to future reports as they are developed.
- 2.3** Agree that the Director of Housing, Planning, Property and Regeneration, in consultation with the Portfolio Holder for Renewal, Recreation and Housing has delegated authority to make changes to grant distribution approach as may be required for compliancy, ensuring government guidance is followed; and to exercise limited discretion during the award process.
- 2.4** Note that this report is marked as Urgent, to allow officers to implement the decision as soon as possible to support businesses.

### Impact on Vulnerable Adults and Children

1. Summary of Impact: This is a grant scheme for local businesses and will therefore have direct and indirect impacts on all residents.
- 

### Corporate Policy

1. Policy Status: Not Applicable
  2. BBB Priority: Vibrant, Thriving Town Centres Regeneration
- 

### Financial

1. Cost of proposal: £9,598,878
  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
- 

### Personnel

1. Number of staff (current and additional): 4 FTEs. New Burdens payment is expected from Government to contribute to staff overheads. However, the total quantum of the New Burdens payment has not yet been received
  2. If from existing staff resources, number of staff hours: Approximately 2600 staff hours
- 

### Legal

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

### Procurement

1. Summary of Procurement Implications: N/A
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This scheme has the potential to support a large proportion of borough businesses and residents. Phase 1 Business Hardship Fund will assist approximately 200 severely impacted businesses with later phases having a wider impact

including an estimated 900 businesses potentially eligible for the Lockdown Top-up Grant

---

Ward Councillor Views

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

### 3. COMMENTARY

#### ADDITIONAL RESTRICTIONS GRANT (ARG)

- 3.1** The Additional Restrictions Grant (ARG) is an initial allocation of £6,646,720 plus a subsequent £2,952,158 giving a total of £9,598,878 from the Ministry of Housing, Communities and Local Government (MHCLG) on behalf of Department for Business, Energy and Industrial Strategy ('BEIS').
- 3.2** The ARG allocation is in addition to payments received by Government to administer the Local Lockdown Support Grants which have been paid during the second national restrictions of the Covid pandemic in Autumn 2020. These payments form part of a suite of Government support to businesses during this period including the furlough scheme, business rates holidays and assistance to self-employed people through the Self Employed Income Support Scheme (SEISS), however these other schemes are not under the control of local authorities.
- 3.3** 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. 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.
- 3.4** The guidance states that the scheme should primarily take the form of discretionary business grants, however, that Local Authorities could also use the funding for wider business support functions. Local Authorities can also determine which businesses to target and how much funding to provide those businesses. Wider business support is spending designed to support the business community but unlike grants is not direct funding to individual businesses. The Government state that this could include guidance for businesses or skills training to support their ability to trade in changed circumstances. The funding cannot be spent on Local Authority staff or management costs as it is intended that the New Burdens fund will cover such costs.
- 3.5** Reports were presented to the Executive on 13 January (HPR2021/55) and 10 February (HPR2021/007) setting out the first proposals for distributing the ARG. The following table provides an update on the allocated approved grants, as of 8 March at the time of drafting this report:
- 3.6** Schemes Approved to Date:

<b>Scheme</b>	<b>Funding</b>	<b>Key dates/Allocation</b>
Hardship Fund	£1m, raised to £1.5m with Portfolio Holder's Approval	Scheme went live on 26 January 2021  £1,066,000 allocated to 111 businesses as of 8

<b>Scheme</b>	<b>Funding</b>	<b>Key dates/Allocation</b>
		March 2021
Independent Public House Scheme	£1m allocated to scheme	Scheme went live on 20 January 2021.  £264k allocated to 36 businesses as of 8 March 2021
Innovation Grant	£1m allocated	Due to go live mid March
Enterprise Hub	£500k allocated	Out to tender
Tier 4 Discretionary Top Up Payments	£2m allocated	£818k allocated to 977 businesses as of 8 March, second payment due on 15 March
Support for Business Improvement District	£700k allocated for 21-22 FY	MOU currently be drafted.
Business Lounge	£216k allocated	
<b>Total</b>	<b>£6,916k</b>	<b>£2,144K</b>

**3.7** The team have now undertaken extensive comms around the Independent Public House Scheme, through Members, direct communications with businesses it is believed to be eligible as well as social media comms. It is therefore recommended that this grant comes to a close on 16 April 2021, and remaining funds are allocated back to the ARG fund for uses as set out below.

**3.8** Following the Government announcement of a further £2.9m ARG, this report makes recommendation for approval for Phase 3 of the ARG.

#### **4. RECOMMENDATIONS/PROPOSED SCHEMES**

**4.1** Support the Re-opening of Independent Public House Schemes

**4.1.1** Recognising that these locations when they can re-open are likely to be popular, will still require restrictions for some time and to support the venues being Covid Secure, it is recommended that a grant of between £2500 and up to £7k is paid to each Independent Public House or Social Club Location, that has already received a grant under the ARG, Public House Scheme, this sum will be based on their rateable value (or £1500 for those non business rate payers). At the time of writing this report this

would equate to £180k. It is recommended that an allocation of £250k is made for this to support any new additions to this scheme. This payment will be auto generated, meaning it is offered to the businesses and then a payment will be made 5 days later. This will be actioned as soon as possible

## **4.2 Hardship Fund**

**4.2.1** It is recommended that a further £1.5m allocation, with the potential to increase this to £2m with Director approval in conjunction with the Portfolio Holder through reallocating underspends not claimed on other schemes. There have at the time of writing this report been 301 validated applications to the Hardship Fund to date, which was launched on 26 January 2021. A further allocation of £1.5m-£2m, on top of the already allocated £1.5m will increase the number of businesses who can receive a grant. It is also recommended that as the first scheme applied an eligibility criteria of businesses having 25% of staff Bromley residents, that this criteria is now lifted to broaden which Bromley businesses are eligible.

## **4.3 Grant for One Person, Home Based businesses (self Employed or Sole Directors**

**4.3.1** It is recommended that a new grant is established, specifically to support One Person, Home Based Businesses in the Borough. The eligibility for this grant is proposed as follows:

**4.3.2** Evidence the business has been affected by Covid and demonstrate a significant reduction in income as a result of the pandemic

**4.3.3** Evidence of any unavoidable fixed businesses costs that do not relate to wages of employment of staff (i.e. car leases etc)

**4.3.4** Not have been eligible for the National Restrictions or Local Restrictions Grants (NRG or LRSG)

**4.3.5** Not be eligible for government's self-employment support scheme (SEISS) scheme

**4.3.6** If a small company Director, the business must have a total gross income (from both PAYE and Dividend Income) of no more than £50k per annum (in the tax year 19-20) This figure should exclude any pension contributions received from the company (this threshold will mean that those that have received a Hardship Grant will not be eligible)

**4.3.7** It is recommended that an allocation of £400K is allocated to this scheme, and payments are a one off grant of £2k be allocated to such businesses submitting an application and meeting the criteria on a first come first served basis.

**4.3.8** If approved this scheme will go live as soon as possible and will remain live for 6 weeks. The rationale for a timed scheme is to ensure that funds can be reallocated if there is lower uptake.

#### **4.4 Special Treatment License Holders**

**4.4.1** Special Treatment Licenses are required for premises doing non-medical treatment works, such as massage, manicure, electrolysis chiropody etc. These establishments generally employ small numbers, and treatments are 1-1. There is an expectation that as these establishments reopen, they will need to allow greater time between appointments for cleaning etc to ensure that they are Covid secure. To support these businesses reopening and being Covid secure, it is proposed that a one-off payment of £1k is license holders. This is similar to schemes being run by other neighbour authorities. Bromley has circa 230 Special Treatment License holders and it is recommended to therefore allocate £250k (the increase is in case of additions) to this fund and write to all businesses eligible for this scheme. These payments will be offered on an auto payment basis, giving businesses 5 days to write to us if they are not eligible or do not wish to have the funds.

#### **4.5 Pavement Licenses**

**4.5.1** In June 2020 the Government announced a new Pavement License that was a streamlined and cost-effective route for businesses such as cafes, restaurants and bars to secure a license to place furniture on the highways. These licenses are valid until 30 September 2021. In Bromley 33 Pavement Licenses have been issued, and it recommended that as part of our support offer to businesses, and recognising the value outdoor trading and seating has for the hospitality sector that we issue a one off grant of £1k to cover the costs of the Pavement License and a contributions towards being Covid Secure this summer as these businesses reopen. It is therefore recommended that a fund of £50k is allocated to this scheme to cover for any potential increase in those still looking to apply for a Pavement License. These payments will be offered on an auto payment basis, giving businesses 5 days to write to us if they are not eligible or do not wish to have the funds.

#### **4.6 Community Swimming Facilities**

**4.6.1** It is proposed to make available a sum of £50k towards community swimming facilities. Whilst all leisure has been adversely affected, as services begin to reopen it is recognised that the costs of managing community swimming pools (where customer fees are on lower end of the spectrum) with restrictions will be considerable. It is therefore proposed to support community swimming (through Mytime) with a support grant of £50k to reopen swimming facilities across the Borough safely.

#### **4.7 Cultural Recovery**

**4.7.1** It is proposed to make available £100k towards cultural recovery. This will include supporting cultural venues, to include theatres, heritage sites and arts centre – this would not include ‘pop up cultural sites’ and only those facilities where the cultural aspect is their only business. Restrictions have had a severe impact on these venues but combined with the ongoing impact on the wider tourism sector, it is recognised that these venues will take significant periods of time to recover. It is therefore proposed to issue cultural recovery grants to destination venues in the Borough of up to £10k, via an application that will require them to demonstrate impact of Covid, and their ability to reopen within the government road mapped timescales. This scheme is on a first come first serve basis, with any remaining allocation being distributed between all successful applicants.

#### **4.8 Mandatory Grants Support**

**4.8.1** There have been a variety of mandatory grants that have also been applied since restrictions have been imposed. The criteria for these grants have been specified by government and administered by the finance team. However, there have been various imposed deadlines on these grants. For a small number of grants, it may mean that where the Council have been unable to make payment under the mandatory schemes in time, but where businesses were eligible for grants, in line with government guidance, it is recommended these payments are met through the ARG. It is therefore recommended that £100k is allocated for payments of such grants.

**5.** As with all business grant schemes the Council is required to undertake a range of checks to ensure that businesses are eligible for these grants. Building on the experience of the previous discretionary grants schemes, this will include as a minimum ensuring the business is still trading (or getting ready to start trading again), insolvency checks, and state aid thresholds have not been breached. The Council also undertakes a range of other checks to mitigate the risk of fraudulent claims including cross referencing information supplied by businesses with other internal and government departments.

**6.** The costs of implementing these schemes cannot be funded from the ARG itself and must be met with the new burden funding. At the time of writing this report the Council is unsure of the new burdens funding allocation for this particular round of grants, but the costs are being kept to a minimum as it is recognised that new burden funding is not likely to cover all of the costs involved.

#### **7. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

**7.1** Business support offered through this scheme will have a direct impact on protecting jobs in the borough. Job losses damage the economic wellbeing of the Borough and have knock-on implications for those in most need as a result of loss of tax revenue and individual livelihoods.

## 8. POLICY IMPLICATIONS

8.1 The proposals support delivery of the Council's objective of Vibrant Thriving Town Centres and Regeneration under the Council's Building a Better Bromley document. A vibrant local economy is necessary to support these objectives and will directly benefit from this scheme.

## 9. FINANCIAL IMPLICATIONS

9.1 The ARG Scheme is funded by central government. The Council have received £9,598,878 which will be used to provide financial support to local businesses through grants and business support functions. This funding is intended to enable local authorities to provide support through to March 2022; therefore, the unapplied 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.

9.2 If all grants are dispersed successfully, and including grants previously allocated this will equate to spend of circa £9,516k on the ARG to support businesses leaving a residual value of circa £83k for the remainder of this financial year. The total allocations are summarised in the following table.

Grant Scheme	Original Allocation £'000	Revised Allocation £'000	New Allocation £'000	Total Allocation £'000	Grant Awarded £'000
Hardship Fund	1,000	1,500	1,500	<b>3,000</b>	1,066
Independent Public House Schemes	1,000	1,000	250	<b>1,250</b>	260
Innovation Grants	1,000	1,000		<b>1,000</b>	0
Enterprise Hub	500	500		<b>500</b>	0
Discretionary Grants Top-Up Payments	2,000	2,000		<b>2,000</b>	818
Support to BIDs	700	700		<b>700</b>	0
Business Lounge	216	216		<b>216</b>	0
Home-based Businesses			400	<b>400</b>	
Special Treatment Licence Holders			250	<b>250</b>	
Special Pavement Licences			50	<b>50</b>	
Community Swimming Facilities			50	<b>50</b>	
Cultural Recovery			100	<b>100</b>	
	<b>6,416</b>	<b>6,916</b>	<b>2,600</b>	<b>9,516</b>	<b>2,144</b>

9.3 The Council will incur costs to set up and administer the scheme which are still being determined. Liberata have been approached to provide support to deliver the scheme and will provide full costs for delivery of each phase depending on the complexity of eligibility and checking requirements. In securing any support, the Council will need to ensure it secures value for money. In addition, and based on the previous grant schemes, the cost of staff time required to administer the grants within the Culture and Regeneration Department is estimated at £150k.

- 9.4** Ongoing maintenance of the Online Enterprise Hub will be part funded from the allocation and in addition to this generating income from advertising revenue will be considered.
- 9.5** The Government have indicated that it would provide New Burdens grant funding to meet Councils' costs of implementing and supporting the scheme, but the full details of that amount are still to be confirmed for this latest addition of grants. Until the amount of that grant is confirmed, the Council are incurring these unavoidable costs at risk.

## **10. PERSONNEL IMPLICATIONS**

- 10.1** Four existing FTE officers are currently supporting the ARG. Additional funding for staff resourcing has been suggested by the Government under the New Burdens fund but no final allocation nor expected date of final payment has been received by the Council.

## **11. LEGAL IMPLICATIONS**

- 11.1** This report seeks a recommendation for approval for Phase 3 of the grant scheme for the Additional Restrictions Grant (ARG) from the Ministry of Housing, Communities and Local Government (MHCLG) on behalf of the Department for Business, Energy and Industrial Strategy ('BEIS') to provide financial support to local businesses through grants and business support functions, which will have a direct and indirect impact on all residents. The Council received a payment of £6,646,720 in November. In February 2021, a further Additional Restrictions Grant Top-up of up to £2,952,158 was granted. The total cost of the Proposal to date is £9,598,878
- 11.2** The ARG allocation administers the Local Lockdown Support Grants which have been paid during the second national restrictions of the Covid pandemic in Autumn 2020, which form part of Government support to businesses, including the furlough scheme, business rates holidays and assistance to self-employed people through the Self Employed Income Support Scheme (SEISS) which are not under the control of local authorities.
- 11.3** This report also outlines the proposal of the ARG Scheme to be delivered in phases. The Government requirement is that all monies will be allocated by March 2022, although increasingly the expectation is that funding is utilised to support businesses much sooner. This Report includes an update on the Scheme, payments made and recommendations for Phase three. Authorisation is also sought from the Executive to authorise payments to be made according to the recommendations/proposals outlined in Section 4 of the Report which is delivered in line with guidance from MHCLG. 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, but it can also be used to fund wider business support activities. Local Authorities can also determine which businesses to target and how much funding to provide to those businesses. Wider business support is spending designed to support the business community but is not direct funding to individual businesses. In accordance to Government guidance, this could

include guidance for businesses or skills training to support their ability to trade in changed circumstances. The funding, however, cannot be spent on Local Authority staff or management costs as it is intended that the New Burdens fund will cover such costs.

- 11.4** Agreement is also sought from the Executive, the Director of Housing, Planning, Property and Regeneration, in consultation with the Portfolio Holder for Renewal, Recreation and Housing as delegated authority to make changes to the grant distribution approach required for compliancy, to exercise limited discretion during the award process and also to ensure that government guidance is followed accordingly. Guidance on the grants has already 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. Reports were presented to the Executive on 13 January (HPR2021/55) and 10 February (HPR2021/007) setting out the first proposals for distributing the ARG.
- 11.5** Extensive comms around the Independent Public House Scheme have been undertaken, through Members, direct communications with businesses, believed to be eligible as well as social media comms. This grant comes to a close on 16 April 2021, where the remaining funds are allocated back to the ARG fund as detailed in the Report.
- 11.6** 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.
- 11.7** 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.
- 11.8** 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.
- 11.9** The Council has power under Section 1 of the Localism Act 2011 to deliver grant funding to business it deems as eligible.

<b>Non-Applicable Sections:</b>	procurement implications.
Background Documents: (Access via Contact Officer)	HPR2021/55