

Decision Maker: RENEWAL, RECREATION AND HOUSING PDS COMMITTEE

Date: 30 March 2021

Decision Type: Non-Urgent Non-Executive Non-Key

Title: ADDITIONAL RESTRICTIONS GRANT UPDATE

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

Ward: All Wards

1. Reason for report

The Council has now received a total payment 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). This includes the original sum of £6,646,720 in November plus a top up of £2,952,158 in February 2021. This sum forms 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 how the ARG has been allocated to date and analyses how it has been utilised to support businesses.

2. **RECOMMENDATION(S)**

That Members of the Renewal, Recreation and Housing Policy Development and Scrutiny Committee note the contents of the Report.

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.
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Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Vibrant, Thriving Town Centres Regeneration
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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
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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 1300 staff hours
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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): This scheme has the potential to support a large proportion of borough businesses and residents. The Phase 1 Business Hardship Fund will assist approximately 200 severely impacted businesses with later phases having a wider impact

including an estimated 900 businesses that will be 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) was an initial allocation of £6,646,720 plus a subsequent allocation of £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). When the Government announced the initial allocation, the guidance stated that this was the only discretionary grant to be made available until March 2022. As such, councils were encouraged to 'spread' the support available and prepare for potential further restrictions.
- 3.2** The ARG allocation is in addition to payments received by Government to administer the Local Lockdown Support Grants and other mandatory grants, which have been made to support businesses through the various lockdown periods. 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. This enables each local authority will 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. 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 2021 (HPR2021/55) and 10 February 2021 (HPR2021/007) setting out the first proposals for distributing the ARG. A further report was taken remotely as an urgent item on the 15 March 2021 (HPR2021/015), setting out further schemes. This report provides an analysis of the ARG spend to date, at the time of drafting this report on 19 February.

3.6

GRANT/CRITERIA	ALLOCATION	COMMENCEMENT DATE	DISTRIBUTED TO DATE
<p>Hardship Fund</p> <p>A grant of up to £10k to support all businesses based in Bromley that have been impacted by Covid 19; had an annual turnover of over £50k, employed 25% of Bromley residents, and could demonstrate a 50% or greater reduction in a 3 month period.</p> <p>A further allocation to the Hardship Fund was approved in March 2021, that this scheme would be extended to include a further £2m, and the criteria would remain the same as the first Hardship Fund except we will now remove the criteria for employing local people to broaden the businesses that can benefit.</p>	<p>£1m, raised to £1.5m with Portfolio Holder's Approval</p> <p>Allocated up to a further £2m to the Hardship Fund.</p>	<p>Scheme went live on 26 January 2021.</p> <p>Scheme to be amended on 22 March 2021.</p>	<p>£1,482,000 allocated to 155 businesses as of 19 March 2021</p>
<p>Independent Public House Scheme</p> <p>This grant was made available to independent public houses, bars, and social clubs. The grant sum was</p>	<p>£1m allocated to scheme</p>	<p>Scheme went live on 20 January 2021.</p>	<p>£340k allocated to 48 businesses as of 19 March 2021</p>

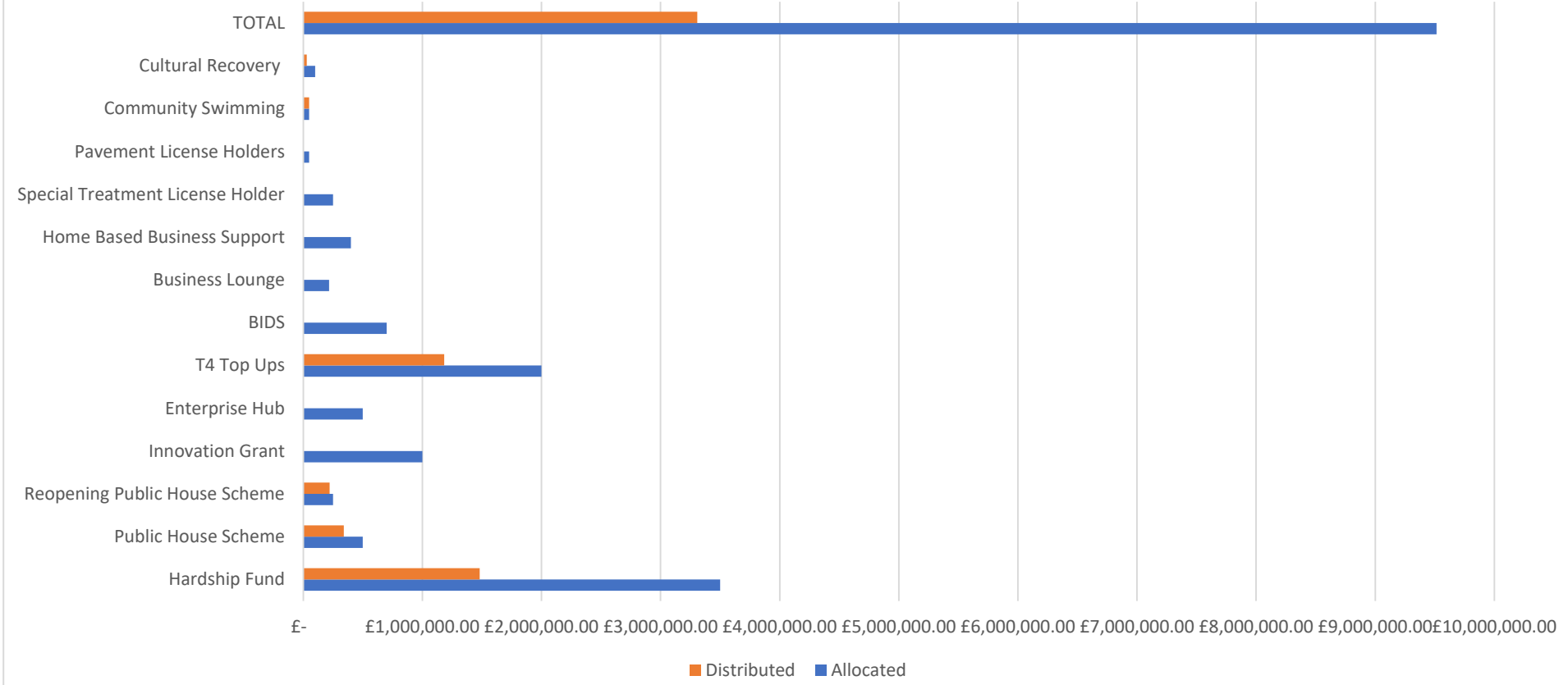
GRANT/CRITERIA	ALLOCATION	COMMENCEMENT DATE	DISTRIBUTED TO DATE
dependent on the business rate threshold:		Due to a lower take up of the scheme it was subsequently approved in March to close this scheme by 16 April 2021	
Innovation Grant A grant of up to £10k was made available to support Bromley businesses pivot or innovate/grow.	£1m allocated	Went live on 12 March 2021, open for applications until 12 April 2021.	N/A
Enterprise Hub	£500k allocated	Out to tender	N/A
Tier 4 Discretionary Top Up Payments	£2m allocated		£1,183,212k allocated to 977 businesses as of 19 March 2021
Support for Business Improvement District	£700k allocated for 21-22 FY	MOU currently being drafted.	N/A
Business Lounge	£216k allocated		N/A
Reopening of Independent Public House, Bars, Social Clubs grant. To direct award a grant of £5k to all those businesses successfully awarded an independent public house scheme with the costs of reopening safely. This is recognition that these businesses, even when	£250k	Due to be distributed w/c 22 March 2021.	£222k (payments to be made w/c 29 March 2021)

GRANT/CRITERIA	ALLOCATION	COMMENCEMENT DATE	DISTRIBUTED TO DATE
<p>reopen, will have to maintain some restrictions when they are in fact designed to be busier places effecting their financial model. The grant will also support those opening with outdoor seating/heating costs.</p>			
<p>Grant for One Person, Home Based businesses (Self Employed or Sole Directors)</p> <p>This grant was approved in the update to Members in March, and provided a one-off payment of £2k for One Person, Home Based Businesses in the borough, that were not eligible for SEISS or Furlough, that can evidence an impact of Covid and have any fixed costs.</p>	<p>£400K is allocated to this scheme</p>	<p>Due to go live 22 March 2021.</p>	<p>N/A</p>
<p>Special Treatment License Holders</p> <p>A grant of £1k to those businesses holding a special treatment intending to reopen within the government</p>	<p>£250k</p>	<p>Due to commence 22 March 2021</p>	<p>N/A</p>

GRANT/CRITERIA	ALLOCATION	COMMENCEMENT DATE	DISTRIBUTED TO DATE
roadmap timetable to be Covid secure.			
<p>Pavement License Grant</p> <p>This grant is to support businesses that hold a Pavement License to boost trade outside. The grant is to support businesses to ensure highways and public spaces are maintained and kept clean and tidy.</p>	£50k	Due to commence 22 March 2021	N/A
<p>Community Swimming Grant</p> <p>£50k has been made available to Mytime Active to ensure community swimming facilities are opened safely.</p>	£50k	Due to commence 22 March 2021	£50k
<p>Cultural Recovery</p> <p>£100k has been allocated for distributions to cultural venues across the borough who are planning on reopening in line with the government roadmap. The</p>	£100k	22 March 2021	£30k allocated (payment due to made w/c 20 March)

GRANT/CRITERIA	ALLOCATION	COMMENCEMENT DATE	DISTRIBUTED TO DATE
application window will be open for two weeks, with the £100k being equally distributed to all those applicants. Venues that can apply are museums, theatres, heritage sites, arts centres.			
Mandatory Support	£100k	N/A	N/A
TOTAL £9,598,878	£9,516,000 (99%)		£2,148,000 (22%)

ARG ALLOCATED AND DISTRIBUTED FUNDS MARCH 2021



4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1** 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.

5. POLICY IMPLICATIONS

- 5.1** 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.

6. FINANCIAL IMPLICATIONS

- 6.1** The ARG Scheme is funded by central government. The Council has received £9,598,878 which must 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.
- 6.2** If all grants are dispersed successfully, and including grants previously allocated, this will equate to spend of circa £9.5m on the ARG to support businesses. Any residual grant must be utilised by March 2022 and if required will be determined through future reports.
- 6.3** 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.
- 6.4** Ongoing maintenance of the Online Enterprise Hub will be part-funded from the allocation. In addition to this, additional monies from advertising revenue will be considered.
- 6.5** The Government has indicated that it would provide New Burdens grant funding to meet councils' costs of implementing and supporting the scheme, but the announcement of this amount is still awaited. Based on previous administration of grants, Culture and Regeneration are likely to require circa £150k for administration, plus the costs to Liberata and these have been identified as financial risks.

7. PERSONNEL IMPLICATIONS

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

8. LEGAL IMPLICATIONS

- 8.1** The report provides an update on spend of grants to date. Officers must ensure grant recipients sign appropriate grant terms and conditions which should deal with claw back provisions in the event of fraud.
- 8.2** 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 give due regard to all relevant circumstances, including government guidance and local need, when deciding on discretionary allocations.
- 8.3** The Council has power under Section 1 of the Localism Act 2011 to deliver grant funding to business it deems eligible.

Non-Applicable Sections:	procurement implications.
Background Documents: (Access via Contact Officer)	HPR2021/055 HPR2021/001 HPR2021/015