

Report to: **Executive**

Date: **3 December 2020**

Title: **Additional Restrictions Grant**

Portfolio Area: **Council – Cllr Judy Pearce**

Wards Affected: **All**

Urgent Decision: **Y** Approval and clearance obtained: **Y**

Date next steps can be taken: **Immediately**

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Recommendations:

That the Executive:

- 1. Note the Additional Restrictions Grant (ARG) scheme in Appendix A, including the scheme of delegation to administer the scheme contained therein.**
- 2. Approve the use of £50k from the ARG funding for wider business support measures. Expenditure against the reserve to be delegated to the Director of Place and Enterprise and Head of Placemaking in consultation with Leader of the Council.**

1. Executive summary

- 1.1. The Council is required to administer the funds issued to it for the ARG as direct business grants and for wider business support activity.
- 1.2. The funding available to SH is £1,740,080 until March 2022, and the proposed scheme for administering the funding is attached in Appendix A.
- 1.3. The scheme is aligned in principle to other 2nd tier authorities in Devon and is open to all businesses (with some exceptions) that can evidence a significant impact from the national lockdown or subsequently from Tier 3 restrictions.

2. Background

- 2.1. National lockdown commenced on the 5th of November and the guidance for the ARG was released on the 9th November 2020, with the first of multiple FAQs released on the 11th of November.
- 2.2. The ARG is discretionary with “guidance” issued by BEIS (The Department for Business, Energy & Industrial Strategy) aiming it at those business that have suffered a significant impact as a result of the national lockdown or tier 3 restrictions.
- 2.3. A Devon wide approach to principle has been adopted to ensure consistency across the County as follows:
 - A 3 tranche approach with the funding being allocated on an on demand basis to businesses for the national lockdown up to about 1/3 of the available funds. This would probably equate to up to 600 businesses. Subsequent tranches will address future lockdown events or tier 3 restrictions. There is risk of demand and supply not aligning with this approach, but the funding must last until March 2022 and there will be no further funding made available.
 - A requirement to evidence “significant impact”. This is a reduction in trading or profit in excess of 50%. There is some variation across Devon in this threshold.
 - Common grant award thresholds of £500, £934, £1400 or £2100, depending on the Rateable Value (RV) of the premises.
 - Funding for wider business support activity, taken from the 3rd tranche of funding, but each Council to decide its own allocation amount and use.
 - One grant only policy with respect to the LRSG Closed.
 - House sharing (AirBnB) excluded.
- 2.4. The scheme went live for applications on Friday 27th of November for 3 weeks. Due to the resources available and work required to assess and processing each application, it is anticipated that it could take a month from the closure of the scheme to conclude payments. This is very dependent on demand and the restrictions in place during the period, as tier 3 restrictions will require ongoing LRGS Closed applications to be processed as well.
- 2.5. The wider business support element of the ARG, proposed at £50k at this time, is yet to be finalised, but could include support for the following organisations, and would be issued on a case by case basis where there is an evidential need and benefit:
 - Business Information Point (BIP) – extending the work we already do offering targeted support to pre-start businesses, particularly focused in engaging with individuals who have recently been made redundant and young people looking for self-employment.

- Visit Devon – with Tourism identified as a primary driver for employment in the South Hams and West Devon, there is genuine reason to expand marketing of our regions to Domestic and International visitors, a service being offered through Visit Devon as a collaborative initiative.
 - Greater Dartmoor LEAF and South Devon Coastal LAG – targeted at business growth and new job creation, to complete delivery of projects stalled through COVID impacts during 2020, the LEAF and LAG projects need to continue through 2021 and to achieve this the delivery team require another year of funding.
- 2.6. It is proposed that any funding allocation from the ARG for wider business support would be the subject to scrutiny (and delegated authority for spend) by the Head of Placemaking and Director of Place and Enterprise, in consultation with the Leader of the Council.

3. Options available and consideration of risk

- 3.1. BEIS have made it clear that there will be no further funding for the ARG and yet it is unknown how long it will be required to be open for as there is no clarity of future restrictions.
- 3.2. There is a risk that the demand for ARG support and the funding do not align and the Council will have to stand by the choices it has made in the ARG scheme, namely; an on demand approach to payment and a “soft” cut off initially of 1/3rd of the funding.
- 3.3. There is a high likelihood that the processing of the ARG will be slower than would be preferred, due to the prioritisation of the LRSB Closed scheme and the work required to assess each ARG application. The Council will remain flexible in its resourcing to mitigate this reputational risk.
- 3.4. Members will be kept informed of the demand and performance of the ARG through the member’s bulletin and other channels including as required, member briefings.

4. Proposed Way Forward

- 4.1. To note the ARG scheme in Appendix A
- 4.2. Approve the use of £50k from the ARG funding for wider business support measures (in addition to the £50k for the broadband reserve), with specific approvals taken on a case by case basis to the Executive.
- 4.3. To delegate expenditure from the reserve to the Director of Place and Enterprise and Head of Placemaking, in consultation with the Leader of the Council.

5. Implications

| Implications | Relevant to proposals Y/N | Details and proposed measures to address |
|--|---------------------------|--|
| Legal/Governance | Y | None |
| Financial implications to include reference to value for money | | The funding award of £1,740,080 is to be spent through the ARG scheme (including wider business support) and no other purpose. It is to support the ARG until March 2022 or until it is spent, whichever is the soonest. |
| Risk | | Reference section 4 |
| Supporting Corporate Strategy | | Business and Enterprise |
| Climate Change - Carbon / Biodiversity Impact | | None |
| Comprehensive Impact Assessment Implications | | |
| Equality and Diversity | | None |
| Safeguarding | | None |
| Community Safety, Crime and Disorder | | None. |
| Health, Safety and Wellbeing | | None |
| Other implications | | |

Supporting Information

Appendices:

Appendix A – ARG Scheme