

Appendix A

DECISION MAKER Leader of the Council	DATE: 28.10.2021
TITLE COVID-19 Business Grant - Top-up Additional Restriction Grant	WARD(S) All
CHIEF OFFICER Director (Regeneration, Enterprise & Skills)	CABINET MEMBER Economy & Skills
LEAD OFFICER: Assistant Director (Employment & Skills)	IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS TIME? Yes
DECISION CLASSIFICATION - Non-Key Decision - Non-exempt	

1. **Decision Required**

This report makes the following recommendations to the decision-maker

The Leader is requested to;

- 1.1 note the proposed use of the further allocation of Top-up Additional Restrictions Grant (ARG) funding that the Council has received from central Government to support businesses that have been impacted as a result of Covid-19 localised restrictions.
- 1.2 note the council has received a total of £1,820,843. ARG Top up allocation, of which £845,549 has been committed against Round 1 applications.
- 1.3 note this report relates to the allocation of the residual budget allocation of £975,294.
- 1.4 delegate approval of the grant awards to the Director of Regeneration, Enterprise & Skills.

Agreed/Not Agreed:—

Date:28/10/21

[Signed.....]

Councillor Danny Thorpe, Leader of the Council

2. **Links to the Royal Greenwich high level objectives**

2.1 This report relates to the Council's agreed high-level objectives as follows:

- Economic Prosperity for All
- A Strong Vibrant and Well-run Borough

2.2 The awarding of grants to businesses will help local businesses to continue to operate in the short term and remain viable and sustainable in the long term all of which will assist in aiding the recovery of business post the COVID 19 pandemic and achieving the broad objectives mentioned above.

3. **Purpose of Report and Executive Summary**

3.1 To seek approval to spend the remainder of the second tranche of Top-up Additional Restrictions Grant funding (amounting to £975,294) using the approach set out within section 5 of this report to support businesses affected by the Covid-19 restrictions and to aid the recovery of the local business base.

4. **Introduction and Background**

4.1. On 3 November 2020 the Government issued guidance on 4 grant schemes one of which was the Additional Restrictions Grant (ARG), a discretionary scheme designed to assist businesses adversely affected by Covid-19 with funding of £8.3M allocated to Royal Borough of Greenwich.

4.2. Following approval regarding the process for administering this funding and the grant payment levels to be made to businesses that were eligible to receive a grant through this scheme, the application window was opened on 19th November 2020 to resident businesses to apply for a grant under the ARG scheme.

4.3. The grants were set to ensure an equitable and proportionate award for all businesses that had been severely impacted by national restrictions, considering whether business had ongoing fixed property costs: if it was mandated to close or could remain open: and if they were eligible for other nationally set local restriction grants.

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- 4.4. On 5 January 2021, the Government announced a further £500m to be made available to local authorities through a top-up to the Additional Restrictions Grant of which £2,557,804 had been allocated to the Royal Borough of Greenwich.
- 4.5. On 10 June 2021 the combined allocation of funding amounting to £8,316,644 was fully spent through grant payments made to businesses.
- 4.6. The table below sets out the funding position and the number of grants paid against the funding that had been received.

Name of Grant Scheme	Grants Paid	Grants Paid (£)	Total Budget	Balance	% Spend
Additional Restrictions Grants (ARG)	2,213	3,828,942	5,758,840	-9,432	100%
Additional Restrictions Grants (ARG) Top Up payment	605	2,557,804	2,557,804	0	100%
Hospitality Recovery Grant - (RBG scheme funded through the ARG allocation of funding)	258	1,012,000			
Sector Recovery Grant - (RBG scheme funded through the ARG allocation of funding)	13	925,000			
ARG Business Support	4	2,330			
Totals	3,093	8,326,076	8,316,644	-9,432	

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- 4.7. On 3 March 2021, the Government announced that a further £425m funding would be made available, through a conditional second top-up to the Additional Restrictions Grant from 1 April 2021. Through the guidance issued, it was identified that local authorities would only be able to access the additional funding subject to their meeting the necessary conditions which required that the whole amount of the previous funding allocation was spent by 30 June 2021.
- 4.8. The indicative grant allocation for RBG for the second ARG grant Top-up award was £1,820,843. To claim this amount, proof needed to be provided to BEIS that all of the funding received by RBG under the ARG scheme had been fully spent by 30 June 2021.
- 4.9. It should be noted that in order to get the additional top up funding we had to show on the central government Delta returns, we had spent the funds in full. As a result, we overspent by £9,432 which would be off set against future allocation as set out in Section 1.2.
- 4.10. This report now proposes amendments to the scheme to allocate the next tranche of ARG Top-up grant set out in section 5 below.
- 4.11. It is proposed that part of the funding is used for the following:
- 4.12. To make ARG payments to those businesses that had submitted an application under the ARG scheme before the application window was closed but were unable to be paid as the funding was exhausted.
- 4.13. To make payments under the Hospitality Recovery Grant scheme (which is financed through the ARG pot of funding) to those businesses that had submitted an application before the application window was closed but were unable to be paid as the funding was exhausted
- 4.14. To make payments under the Sector Recovery Grant scheme (which is financed through the ARG pot of funding) to those businesses that had submitted an application before the application window was closed but were unable to be paid as the funding was exhausted
- 4.15. There was a high number of applications there were received for the various ARG funded schemes. Business awareness was helped by active marketing which encouraged eligible businesses to apply. Consequently not all these applications could be funded through the existing allocation

of ARG funding. The table below shows the estimated budget forecast based upon the applications yet to be determined and approved for payment

Scheme	Number of Applications	Forecasted spend
Additional Restrictions Grant	59	£472,118
Hospitality Recovery Grant (Funded through ARG)	26	£163,999
Sector Recovery Grant (Funded through ARG)	4	£200,000
Total	89	£836,117

4.16. The total commitment that needs to be considered before any scheme can be determined is as follows;

4.17. Allocated ARG	£1,820,843
Current commitment	£836,117
overspend of	£9,432
Total Committed	£845,549
Balance	£975,294

4.18. **To reopen the ARG, HRG, and SRG** application window for a limited period of time say four weeks from the approval of this report, to allow businesses that failed to submit an application before the application window closed a final opportunity to access financial assistance, to support their recovery.

4.19. **High Street Recovery Grants** – This programme will provide grant funding of £10,000 to small business who are signed up to a minimum of a 12-month lease as vacant possession since the 1st June 2020 but who has not been able to access a grant through the Local Restrictions Support Grant, Restart of ARG schemes. This would be subject to evidence being provided in the form of a lease agreement.

4.20. **Business Resilience Grants** – This programme will offer £10,000 to support business adaptation, resilience and innovation. Businesses would

complete an application form similar to the sector recovery grant outlining how the grant would either aid in the creation of jobs, or improving productivity or processes. an example could be as a result of the pandemic a business may need to secure alternative premises eg downsizing or upsizing.

- 4.21. **Business Support Grants** – This will be delivered through the Sector Recovery Grant targeted towards supporting particular sectors or business area to assist business growth and new employment creation. This could also include the extension of Street eats in areas that currently do not have e.g. Thamesmead
- 4.22. The defrayment of grant payments to be made from the second Top-up ARG award will be contained within the allocated budget of £1,820,843 that was received on 16 July and sent out within the grant offer letter from BEIS dated 21 July 2021. When the full budget has been allocated this particular discretionary scheme will be closed. All payments for this scheme need to be defrayed by the 30th of March 2022.

5. **Available Options**

- 5.1 **Do nothing** - There is no requirement for local authorities to take up the additional Top up ARG award, however, Greenwich businesses have been severely affected by Covid-19 and the impacts of the related restrictions. If expenditure of the available funds is not approved then local businesses would be unable to benefit from the national government support which may subsequently lead to business closures.
- 5.2 Doing nothing is not an option because if the funds are not used. the money will be returned to the government and we would have missed an opportunity to support businesses in the Royal Borough of Greenwich from recovering from the pandemic.
- 5.3 **Option 1 - Reopen the ARG, HRG, and SRG application window** – use all the funding to focus on these three areas until all of the £975,294 is spent.
- 5.4 This will ensure that those businesses that qualify will get the support that they need. It is also a tried and tested process and as can be seen from the table in section 4.15 showing the commitments already ready to be paid. To implement this option we would simply have to reopen

the online application form and inform the businesses that the scheme has relaunched. There are therefore no significant resourcing implications.

- 5.5 **Option 2** – To undertake a combination of all the suggested proposals set out in section 4.18 to 4.21 until all the funding of £975,294 is spent. An indicative figure has been provided for each item and suggested budgets for each theme are as follows:

ARG, HRG, & SRG -	£275,294
High Street Recovery Grant	£250,000
Business Resilience Grant	£250,000
Business Support Grant	£200,000
Total	£975,294

- 5.6 The preferred option is Option 2. This allows an expansion on option 1 with additional targeted business support ideas which enable a fuller expanse of ideas to be used ensuring the maximization of the funds and the expansion of its impact on businesses within the area.

6. **Preferred Option**

- 6.1 The option being recommended is based on the existing scheme with some specific targeted work that will see businesses thrive.
- 6.2 There will an application form for each area based on the existing forms. One with a dropdown menu enabling a business to apply for the grant most suitable for them. The High Street Recovery Grant will focus on business based in the high streets of our town centres who want to or have moved to larger or smaller premises on the high street – creating jobs, expanding the floor area of trade, being innovative by trying new processes.
- 6.3 The grant support which will support recovery and resilience, aligns to local and London Priorities, It will also complement the High Streets For All scheme – in Greenwich, The Future High Streets for all Scheme in Woolwich and many other programmes taking place in the local town centres.
- 6.4 This approach will also safeguard jobs, focus investment, stimulate footfall in our town centres, our high streets and the areas hardest hit by the pandemic.

6.5 This option is the best option of those described because it expands on tried and tested methods and also targets areas that have been identified through the existing schemes

7. **Reasons for Recommendations**

7.1 This proposal supports the local economy and will encourage growth and potentially footfall within the Town Centres.

7.2 Feedback from Businesses who have received the grant have helped shaped the development of this additional grant.

7.3 To date the Business Grants have ensured that a number of businesses have continued trading throughout the pandemic with a number growing so the options within this report will only strengthen this position.

8 **Consultation Results**

8.1 There is no duty to consult however we have undertaken some informal consultation with Business Support Organisations such as SEE, FSB and the Chamber of Commerce which have helped shape the proposal.

8.2 The Business team have dealt with numerous emails and queries around the business grants in particular around businesses wanting to increase or expand on what they do – this forms the basis of the Business Resilience Grant and the High Street Recovery Grant.

9 **Next Steps: Communication and Implementation of the Decision**

9.1 Following approval to progress with the approach outlined within this, report action will be taken to Launch the new scheme with a new online application form. Applications submitted will be vetted by the Business Team, then referred to Business Rates and Anti-Fraud to carry out the requisite due diligence checks before being cleared and approved for payment.

9.2 Officers will request daily reports directly from the payments team. This will be live data on payments approved, payments made, payments blocked and the budget balance. Furthermore, final reconciliation checks

will be carried out to ensure there is sufficient funding for final payments when the budget is 90% spent. In this way we aim to avoid the risk of an overspend.

- 9.3 The scheme will be promoted through the normal channels which included and are not limited to email alerts, direct mailing through the various support networks etc.

10. **Cross-Cutting Issues and Implications**

Issue	Implications	Sign-off
Legal including Human Rights Act	<p>Section 1 of the Localism Act 2011, the Council has power to do anything that individuals generally may do. This includes the payment of grants.</p> <p>Under Part 3 (Responsibility for Functions) of the Council's Constitution, the power to make grants is delegated to either the Leader, relevant Cabinet Member or Chief Officer depending upon the value. Given the overall amount of the grant funding, the Leader is authorised to agree the recommendations in paragraph 1.</p> <p>Under section 101 of the Local Government Act 1972 the Council may delegate its powers (except those incapable of delegation) to a committee or an officer therefore the Leader may make the delegation to the Director of Regeneration and Skills.</p>	<p>Azuka Onuorah Head of Legal Services 11 October 2021</p>
Finance and other resources	<p>The Authority has received a total of £1,820,843 Additional Restrictions Grant Top-up allocation, of which an estimated £845,549 has been</p>	<p>Sue Rock Accountancy Business Change Manager</p>

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	<p>committed against Round 1 applications.</p> <p>This report sets out proposals to allocate the residual budget allocation of £975,294. All payments for this scheme are to be defrayed by the 30th of March 2022.</p>	24/09/2021
Equalities	<p>The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users. An initial assessment indicates that those with protected characteristics are not likely to be disproportionately affected by the proposals. There is no evidence that any group with protected characteristics is disproportionately represented within the Business community. The Equality and Equity Charter of the Royal Borough of Greenwich states that it is a vibrant borough with a growing diverse population. There is an ambition to create a fairer, safer, accessible and inclusive borough where everyone feels they belong, has a voice and an equal opportunity to succeed and thrive. The dispersal of grants in the manner proposed will assist in achieving these objectives.</p>	<p>Patricia Salami, Interim Head of Business Engagement and Town Centres 7 October 2021</p>
Climate change	<p>The grants are to aid business viability in meeting on-going operational business costs during a period of zero or much reduced income. As such the grants will have limited direct benefit in terms of environmental impacts, such as carbon emissions reduction. The</p>	<p>Patricia Salami, Interim Head of Business Engagement and Town Centres 7 October 2021</p>

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	implementation of the ARG schemes will wherever possible seek to minimise any adverse environmental impact. For example the application form will be on-line.	
Procurement & Social Value	The decisions recommended through this paper have a direct implication on social value. Procurement support will be provided to ensure social value outcomes are delivered.	Pius Appiah Senior Procurement Business Partner – DRES 24 September 2021

11. **Report Appendices**

11.1 There are no appendices with this report.

12. **Background Papers**

Leader Decision: Covid-19 Discretionary Grant Scheme Round Two – 4 August 2020

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