

Additional Restrictions Grant – Discretionary Business Support Scheme

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Purpose of the Report

1. To update Members on the previous Additional Restrictions Grant (AGR) schemes and to seek approval on future spend.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of September 2021.

Public Interest

3. This report reviews the Additional Restriction Grant (discretionary business grant) schemes run by South Somerset District Council and outlines the approach to future spend of grant funding received in July 2021.

Recommendations

4. That District Executive recommend that Full Council agree to:-
 - a. delegate authority to the Director of Place and Recovery, in consultation with the Director for Service Delivery, Section 151 Officer and the Portfolio Holder for Economic Development, to allocate the remaining Additional Restrictions Grant funding. It is anticipated that this may include relevant grant schemes and business support initiatives consistent with the stated aims of the Recovery and Renewal Strategy, Council Plan and the Economic Development Strategy.

Background

5. This report refers to Coronavirus restrictions that commenced in November 2020 and does not detail grant schemes or restrictions that covered the period of the first set of national restrictions commencing in March 2020. The report focuses on Additional



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Restrictions Grant and not the mandatory schemes that SSDC have administered on behalf of Government.

6. The Additional Restrictions Grant (ARG) funding scheme aims to support businesses severely impacted by coronavirus restrictions when most needed. The ARG funding was provided to Local Authorities to use at their discretion, however we were encouraged to use this to primarily take the form of business support grants for businesses not eligible for Government schemes.
7. Initially the ARG scheme was designed as a one off lump sum payment to Local Authorities to support businesses during the restrictions that commenced in November 2020. As the pandemic developed Government has provided further allocations. ARG allocations have been received in three tranches. At the time of writing, the table outlines how much money SSDC has received and how many businesses have been supported during each phase.

8.

	Amount awarded by Government	Funding allocated to businesses	Number of businesses supported
November Lockdown	£3,366,900.00	£230,668	214
January Lockdown + Top Up + February, March and April Payments	£1,495,417.00	£4,537,848	691
May Discretionary Restart	£1,265,306.00	£337,328	192
Total	£6,127,623.00	£5,089,844	*circa 700
Remaining funds		£1,037,779.00	

*Please note many businesses will have received repeat payment throughout the restrictions / grant schemes during the course of the restrictions.

9. Since November 2020 South Somerset District Council has taken a pro-active approach to supporting local businesses with the ARG grants and therefore received its third allocation in July 2021. The ARG funding has allowed the council to support approximately 700 businesses between November 2020 and June 2021, in addition to over 1200 businesses supported through the Local Restriction Support Grant and Restart schemes (available to businesses who have a business rates valuation) totally a combined package of support that is in excess of £30million. The Council has seen this as a priority throughout the pandemic, and Officers have worked quickly and efficiently to ensure that payment was made as soon as possible for businesses whilst maintaining a thorough approach to managing risk.
10. In order to support businesses efficiently grant schemes were developed with authorisation through delegated authority from the Chief Executive and relevant Directors. All grant schemes were discussed and approved by SLT / Gold Committee. Previous ARG schemes reflected the mandatory schemes that Government provided guidance on for those who have a business rates valuation.

Future Additional Restrictions Support Grant Funding



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11. As mentioned above, South Somerset District Council has received its third and final payment of £1,265,306.00. £227,527 of this funding has been used to support the 'ARG – Discretionary Restart Scheme' that was created to reflect the Government's Restart Grant Scheme for businesses who do not have a business rates valuation but were still significantly impacted by the pandemic.
12. This means that South Somerset District Council currently has £1,037,779 remaining for future ARG spend between now and March 2022.
13. Officers are proposing that members agree to delegate authority to the Director of Place and Recovery, in consultation with the Director for Service Delivery, Section 151 Officer and the Portfolio Holder for Economic Development. This will enable SSDC to proceed efficiently with what is needed to enable businesses to recover and grow.
14. It is important to note that Government guidance on ARG spend limits some activity and allocations cannot support:
 - a) Businesses that have already received grant payments that equal the maximum permitted levels of subsidy will not be eligible to receive funding.
 - b) For the avoidance of doubt, businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.
 - c) ARG funding should not be used as a wage support mechanism, for capital projects that do not provide direct business support, or to fund projects whereby Local Authorities are the recipients.
15. Under the ARG Guidance it states that Local Authorities can use ARG funding for business support activities. This may primarily take the form of discretionary grants, but Local Authorities could also use this funding for wider business support activities.
16. South Somerset District Council will be working closely with BEIS (Department for Business, Energy and Industrial Strategy) to ensure that future spend meets the Government's criteria.
17. It is intended that future spend will focus on two key areas. These are listed below with some examples of schemes that may sit beneath. Please note that schemes listed are only intended to be examples and further thought will be required to ensure that funding is best suited to the needs of business.
 - a) **Business Grant Funding**
 - a) An exceptions scheme for businesses still in their recovery phase
 - b) Revitalisation grants
 - c) Innovation grants
 - d) Social Enterprise grants
 - e) Environmental grants (Build Back Greener)
 - b) **Business Support Initiatives**
 - a) Continuation of the Somerset Catalyst Programme, a support scheme intended for high growth, innovative businesses



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- b) Support for business organisations that provide networking and business support opportunities (for example Chambers and business groups)
- c) Support to convene and facilitate place leadership meetings whereby the business is the main beneficiary

18. By delegating authority, officers will be able to proceed efficiently with what is needed to enable businesses to recover and grow. When allocating spend, Officers will consider existing Council strategies and policies, such as the Recovery and Renewal Strategy, Council Plan and the Economic Development Strategy.

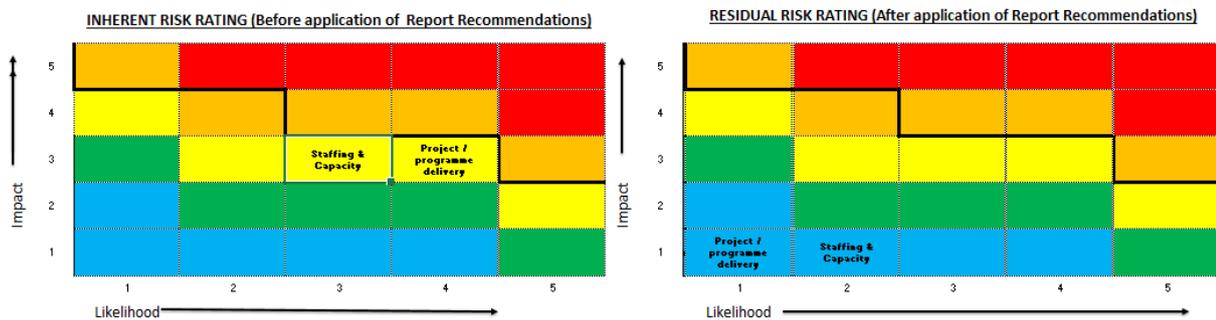
Financial Implications

19. Funding has been awarded by Government and is intended to be spent by March 2022. Any remaining funds will be recovered by Government.

Legal implications (if any) and details of Statutory Powers

20. South Somerset District Council must ensure that it abides by the guidance provided by Government for the ARG funding.

Risk Matrix



Risk Ref	Risk Category	Inherent Risk Rating	Residual Risk Rating
1	Project / programme delivery	15	1
2	Financial	0	0
3	Delivery of Services	0	0
4	Staffing & Capacity	14	3
5	Reputation	0	0
6	Health & Safety	0	0
7	Governance & Legal	0	0

Risk Description	Mediation / Controls
Funding is not spent within the allocated timescale	Delegated authority will provide for quicker decision making to enable SSDC to proceed efficiently in line with any Covid
No financial implications on the Council as this is external funded that would be returned to Government	0
Spending the Additional Restrictions Grant is included within PFI of the Council Plan and we are committed	Delegated authority will provide for quicker decision making to enable SSDC to proceed efficiently in line with any Covid
	0
	0
	0

Council Plan Implications

21. The Council Plan will be considered when making decisions, the most relevant areas include; Economy Areas of Focus, Priority Project 1 and Economy Area Chapters.

Carbon Emissions and Climate Change Implications

22. There are no carbon emissions or climate change implications as a direct result of this report.



Equality and Diversity Implications

23. All spend will consider equality and diversity implications.

Privacy Impact Assessment

24. All spend will consider privacy implications.

Background Papers

25. Government ARG Guidance -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/994386/additional-restrictions-grant-la-guidance.pdf