

**REPORT FROM: PLANNING, ECONOMIC DEVELOPMENT AND
REGULATORY SERVICES MANAGER**

TO: POLICY AND RESOURCES COMMITTEE

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ADDITIONAL RESTRICTIONS GRANT

PURPOSE OF REPORT

To provide an update of the ARG scheme and seek steer on the new policy.

RECOMMENDATIONS

- (1) That Committee agree to the parameters of the spend of the remaining grant as set out at paragraph 10 in the report.
- (2) That the final details of the scheme and administration of the grant be delegated to the Chief Executive to agree.

REASON FOR RECOMMENDATIONS

In order to ensure that the remaining ARG funding is distributed to the community to offset the impacts of Covid.

BACKGROUND

1. On 31 October 2020, Central Government announced the introduction of the Local Restrictions Support Grant (LRSG) which was ongoing grant payments to business that had closed as a result of the introduction of the Tiers and lockdowns. The LRSG supported businesses which occupied a premises with a rateable value.
2. Central Government also announced further Additional Restrictions Grant (ARG) funding to provide grant support those businesses that are outside the scope of the LRSG scheme. Initially, under the ARG provisions, Local Authorities received a one-off lump sum payment amounting to £20 per head in each area when local restrictions or widespread national restrictions were imposed. Pendle's initial allocation was £1,842,240.

3. As a result of the ongoing lockdown, in January 2021 Central Government made a £500million top-up payment to the ARG Scheme. Pendle received an additional £820,061 ARG funding as a result of this bringing the total amount allocated to Pendle to £2,662,301.
4. In the 2021 budget, it was announced Local Authorities would receive a further £500,000 top-up payment if they successfully spent their existing ARG allocation by 31st July 2021. Pendle Council successfully spent their allocation and receive the £500,000 top up payment in August 2021.
5. ARG Round 4 was a top up payment made to recipients of ARG Recovery (Round 3). A top-up payment was also made to businesses with a rateable value of less than £15,000 who received a Restart grant under the non-essential retail strand.
6. As of 20th September 2021, Pendle Council has made payments totalling £2,721,188 ARG payments and has a remaining balance of £441,113. Any unspent funds that have not been distributed by 31st March 2022 will be subject to recovery. Local Authorities need to achieve all spend by 31st March 2022 as payments after this date will not be allowed under any circumstances.
7. Local Authorities can use ARG funding for business support activities. This can be in the form of discretionary grants, but the funding can also be used for wider business support activities. The ARG criteria states that as part of their application process, businesses will be required to self-certify they meet all eligibility criteria including state aid rules.
8. Other Councils across Lancashire are proposing to use their remaining funding in a number of ways including business support including business support, events programmes,
9. There are limitations on what the funding can be used for. These are that businesses that have received the maximum permitted levels of subsidy are excluded as are businesses that are in administration, insolvent or are not eligible for funding. Councils cannot have funding to deliver projects where they are the recipient. In addition the funds cannot be used for direct wage support or for capital projects that do not provide for direct business support.
10. A new scheme needs to be drafted to spend the remaining balance. The following themes are proposed;

Scheme	Recipients	Funding
Event Support Programme	Any organisation in Pendle that will run an event that promotes wider economic benefits for the business community	£80,000
Charitable Organisations	Charities that will run programmes that assist in the recovery of impacts of Covid	£50,000
Business Hardship Grants	Businesses employing 10 or more staff who have been impacted by Covid	£311,113

11. Committee are asked to agree the parameters of the grant to be offered. Once that is agreed we will use an external consultant to draft the full details of the grant to ensure that all aspects are fully in accordance with the grant offer parameters.
12. There will need to be an application process to ensure that the grants are offered to eligible companies. The exact details of this can only be agreed once the parameters of the grant are agreed.
13. There is a relatively short timescale for the scheme to be rolled out and payments made. It is recommended that the award of the grants be delegated to the Chief Finance officer and the Planning, Economic Development & Regulatory Services manager to agree.

IMPLICATIONS

Policy: The scheme supports the Council's Economic Recovery and Growth Strategy

Financial: The scheme is fully funded by the Additional Restrictions Grant. Funding must be defrayed by 31st March 2022. There is no additional cost to the Council. Any funds not defrayed by 31st March 2022 will have to be returned.

Legal: None as a result of this report

Risk Management: There are current staff shortages in the Economic Development service and hence there is a need to ensure there are adequate resources available to roll out the grant and to assess the applications and award the grants.

Health and Safety: None as a result of this report

Sustainability: None as a result of this report

Community Safety: None as a result of this report

Equality and Diversity: None as a result of this report

APPENDICES

Appendix 1

Hyndburn

The Additional Restriction Grant (ARG) scheme is designed to provide help to a wide range of businesses severely impacted by the pandemic.

The ARG Scheme is a cash limited grant scheme and the Council will therefore prioritise applications to ensure the grants are directed to those areas most in accord with the Department of Business Energy & Industrial Strategy's directions around the principles and purposes of the grant.

The grant can be paid to large or small businesses and is not restricted to businesses which have a rateable value assessment in their name. Separate businesses operating from shared premises can apply for the grant as can those operating a mobile business or the self-employed.

In accordance with revised Government guidance, businesses who have previously received other Covid-19 business grants, for example, a Restart Grant, or, Local Restriction Support Grants, are also encouraged to apply for ARG.

Businesses must be based within Hyndburn and be able to demonstrate they have been severely impacted by the introduction of the local and national lockdown measures. Payment of grants will only be made to a business bank account that the Council can verify as belonging to the business applying for the grant.

Please note: The closing date for applications is 5:00pm Monday 04 October 2021.

Burnley

COVID OUTBREAK CLOSURE GRANT

Eligibility Criteria

- only eligible to businesses which have had to close on or after the 14th of July 2021
- be a small business that employs 10 or less full-time equivalent employees
- must occupy premises in Burnley with a rateable value and be liable for business rates (unless in receipt of SBRR) or pay an all-inclusive rent and rates bill to a landlord
- be able to provide evidence of the notification from the NHS Covid-19 app or NHS Test & Trace to self-isolate or evidence of a positive test.

Grant Award

A grant of up to £1,000 will be available to mitigate losses incurred as a result of closures due to the workplace outbreaks. (up to 1 grant per calendar month).

Businesses that experience repeated outbreaks will be required to show they are putting in plans to prevent further outbreaks.

Additional Restrictions Grant - Discretionary Hardship Fund

In addition to the COVID Closure Grant funding has also been allocated by the Council for a Discretionary Hardship Fund.

The Discretionary Hardship Fund is open to businesses in key sectors that either provide an important service to the borough or provide a significant economic/employment benefit that are facing significant and potentially longer-term financial difficulties due to the COVID 19 pandemic.

Businesses may be eligible to apply for a one-off grant where they have significant ongoing overheads and where an Additional Restrictions Grant intervention would safeguard jobs.

The scheme is aimed at businesses that have not been in receipt of a Local Restrictions Support Grant. In exceptional circumstances businesses that have been in receipt of LRSG will be considered, subject to grant availability and where they can demonstrate that additional assistance through the Hardship fund would support recovery and safeguard jobs

Key Eligibility Criteria

- To be eligible to apply for funding businesses must:
- Employ ten or more staff (pre COVID-19)
- Be safeguarding jobs
- Be in a key sector (advanced manufacturing; aerospace; finance & professional; creative & digital; energy & environment and health
- Have significant on-going overheads (e.g. business rates liability, mortgage, lease/rental costs)
- Have undertaken or plan investment in the business

Grant Award

Grants of up to £100,000 may be awarded in exceptional circumstances. Applications will be assessed and approved based on the business case provided in the application and the number of jobs that will be safeguarded as a result of the grant support.

If you feel your business meets the criteria set out above, please email the Council's business support team at economy&growth@burnley.gov.uk who will respond to your enquiry. Funding is limited for both the COVID Outbreak Closure Grant and the Discretionary Hardship Fund and once allocated no further funding will be available.

Fylde

ARG Young Activity Scheme

The ARG Youth Activity Scheme will contribute to the post-pandemic recovery of charitable organisations and community-based businesses that provide vital support to young people across Fylde by offering a funding opportunity for the establishment of new youth activity provision. The fund will support projects that can demonstrate a long-term plan and sustainability beyond the initial provision of funding.

ARG Shopfront Improvement Scheme

The ARG Shopfront Improvement Scheme aims to support businesses that offer in-person services who have seen Covid-related restrictions affecting their ability to trade and therefore

may have struggled to update or maintain their shopfronts. The scheme will also offer support to landlords of commercial properties who are struggling to attract tenants or full occupation of a property as a result of the post-pandemic climate and outdated frontage. The scheme will support the growth of local businesses, improve the local environment, enhance local heritage and raise the aesthetic appearance of the area for all stakeholders.

ARG Event Support Scheme

The ARG Event Support Scheme is aimed at supporting recovery of the tourism and culture economy in Fylde in the post-COVID pandemic period. The scheme will contribute towards any additional cost of an event resulting from measures put in place to manage COVID infection and other costs associated to the delivery of the event. The grant funding will be available to any formally established organisation, private sector business, or recognised charity that holds an event between 1 July 2021, and 31 March 2022, subject to the criteria set out in the scheme and the availability of grant funding.

ARG Vacant Premises Grant

The Additional Restrictions Grant (ARG) Vacant Premises Grant provides support to start-up costs for small local businesses who take on vacant premises on the town centre high street between 1 March 2021 and 31 March 2022 (subject to availability of grant funding). This grant scheme is intended to stimulate new business in the town centres of St Annes, Lytham and Kirkham that will encourage footfall to the area. The grant will support new businesses with a contribution towards the initial investment for shop fitting and set-ups costs.

Wyre

Additional Restrictions Grant (ARG) Vacant High Street Premises/Fleetwood Market Vacant Stalls Grant to 31 December 2021.

The ARG Vacant High Street Premises/Fleetwood Market Vacant Stalls grant will support new businesses with a contribution towards the initial investment for shop/stall fitting, Covid safe measures and set-ups costs. Applications for this grant will run up to 31 December 2021.