

	Officer Key Decision
	Report from Head of Revenue and Debt to the Strategic Director, Customer and Digital Services and Director of Finance
Additional Restrictions Grant: Amendment Three	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	Appendix 1 - Government Guidance June 2021 Appendix 2 - FAQ version 5 July 2021 Appendix 3 - Additional Restrictions Grant (Discretionary Policy): Version 3
Background Papers:	None
Contact Officer(s):	Peter Cosgrove, Head of Revenue and Debt, peter.cosgrove@brent.gov.uk

1.0 Purpose of the Report

- 1.1 The uptake of the second version of Additional Restrictions Grant (ARG) known as Back to Business is undersubscribed. Therefore, it has been necessary to carry out a further review to ensure all available funds are used to support business by the deadline date of 31 March 2022. This report proposes the additions to be made to the scheme and records the decision of the Strategic Director of Customer and Digital Services to amend the Additional Restrictions Grant (Discretionary Policy).

2.0 Recommendations

- 2.1 The Strategic Director of Customer and Digital Services, and Director of Finance, following consultation with the lead member agree to amend the existing Additional Restrictions Grant Policy so that in the final phase up, when final payments are made in March:
- i. Applications for version two “Back to Business” are processed and any required top-up paid by 31 March 2022.
 - ii. Existing recipients to receive top-up payments to further support their business.
 - iii. Wider business support will be provided through support schemes and support costs to be funded as set out in 3.8.
 - iv. To approve the version set out in appendix 3

3.0 Background

- 3.1 Following the commencement of revised restrictions on 17 October 2020, a number of schemes were put in place to support businesses largely in retail, hospitality and leisure sectors. This also included funding for the Council to put in place its own Additional Restrictions Grant (ARG) with a wider reach to include supply side businesses that had so far missed out and potentially larger businesses important to the local economy, not within the government’s definition of retail, hospitality and leisure.
- 3.2 To get the scheme up and running quickly the scheme was approved in principle by the Chief Executive using emergency powers with final sign off authorised by the Strategic Director of Customer and Digital Services.
- 3.3 The decision was made and published on 16 November 2020 as set out in the web link <http://democracy.brent.gov.uk/ieDecisionDetails.aspx?ID=5284>. That decision stated that the Chief Executive noted that any amendments to the discretionary grant scheme that may be required to the policy would be made by and under the authority of the Strategic Director of Customer and Digital Services and the Director of Finance in consultation with the relevant Lead Members. The Council’s Additional Restrictions Grant Policy stated that the Council would keep the scheme under review and amend it from time to time as required.
- 3.4 The Council’s ARG scheme went live on 27 November. The initial funding from central government was for £6,595,420 based on a government formula that used £20 per head to calculate the Council’s share. This was subsequently topped up with £2,929,373 taking the total grant received to £9,524,793. However, the grant amount has had to be reduced to £8,904,418. This reduction was enforced on the Council by the government for payments made after the end of the previous scheme deadline. The grants were rightfully due but due to work volumes and system issues went out a day late. The government have informed the Council that these payments would not be funded and that only the ARG grant could be used to balance the payments, hence a reduction of £620,375, leaving the total sum of funding of £8,904,418.

- 3.5 As the Council spent its allocation by 30 June a further sum of £2,664,125 was made available.
- 3.6 The additional funding was used to set up the revised scheme agreed as recordable decision on 20 May 2021: [Decision - Additional Restrictions Grant: Version Two - Brent Back to Business \(Recordable Officer Decision\)](#)
- 3.7 ARG Back to Business (ARG B2B) has not had sufficient demand to ensure all remaining funding is utilised. 141 claims have been paid for £444,000. This could lead to a substantial underspend with monies being returned to government rather than being used to support local businesses.
- 3.8 To that end a review has been undertaken to establish how to ensure available funding is used to support business in line with the government guidance, appendices 1 and 2, which have been updated and amended since the initial guidance from October 2020 in June and July 2021. The review has resulted in these proposals:
- i. **Award a top-up payment.** To support the ongoing needs of business it is proposed that existing ARG grant recipients will be awarded a top-up payment. The overall value of these payments will not exceed the amount already paid. To qualify a business will need to make a declaration that it is still trading. The top up payments will be made to recipients of the ARG Back to Business grant doubling the initial payment and those that received ARG grants between £4,001 and £7,000, for these the top up will be 60% of the earlier grant. Previously top ups were made to those who had received a grant of up to £4,000. Further top up payments may be made as required to ensure all funding is utilised.
 - ii. **Award the Economic Growth team £212K.** The Economic Growth team has provided support and guidance to hundreds of businesses over the past year, helping them to understand complex eligibility criteria and the application process thus providing them with access to Additional Restrictions Grant funding. The team has set up a direct mailbox to support businesses and deal with grant specific queries, to help businesses access the much needed funds that they would otherwise not have the language, literacy or numeracy skills to apply for. The cost of this additional work may be funded as the work has directly enabled businesses to access grant funds. Furthermore the assessment and awarding of grants has cost £212k in 2021/22.
 - iii **Provide business support to business support to create a hairdressing academy.** Other wider business support may also be provided under the ARG scheme. A project has been identified under which £150,000 will be provided to a business and or landlord of a vacant high street unit. The funding will be used for would-be hairdressers who have the skills and can use the academy resources to run their business, for example by renting a chair. The academy will give them the technical skills along with skills on how to run and set up their own business.

The total cost of these schemes will be kept within the funding envelope of £2,664,125m.

4.0 Financial Implications

- 4.1 The table below sets out the additional ARG funding £2,664,125 received, payments since July 2021 and the proposed options to utilise the remaining funding.

	£'s
Grant Allocaton for Tranche 3	2,664,125
B2B Payments	(444,000)
Less Other:	
Salary Costs:	
ARG Team	(212,199)
Audit	(46,230)
Business Support Team	(97,870)
B2B Top Up - 100%	(444,000)
2nd Round (04/10/21 to 29/10/21)	(338,826)
Options of 60% on ARG £4,001 to £7000	(931,000)
Hair Academy	(150,000)
BALANCE	0

- 4.2 As this grant is currently under subscribed, further options (as set out above) have been considered to ensure that the grant is fully spent by 31st March 2022.

5.0 Legal Implications

- 5.1 The government has encouraged local billing authorities to develop Additional Restrictions Grant (ARG) schemes on a discretionary basis to help those businesses, which – while not legally forced to close – are nonetheless severely affected by the restrictions put in place to control the spread of COVID-19. The Government's guidance as referred to in paragraph 3.13 above states that funds in respect of ARG that have not been distributed by local authorities by 31 March 2022 will be subject to recovery by the government (cf. paragraph 23 of the Government's March 2021 ARG Guidance).
- 5.2 The government is issuing funding to local authorities for the cost of the ARG by giving a grant pursuant to section 31 of the Local Government Act 2003. Local authorities are responsible for delivering funding pursuant to their ARG schemes.
- 5.3 The Strategic Director has authority to manage, within the approved cash limits, the budget allocated to the functions for which that officer has responsibility subject to the restrictions set out in paragraph 2 in the table set out in paragraph 9.5 of Part 3 of the Council's Constitution. The Strategic Director has power to make grants or give other financial or other assistance to organisations subject to the restrictions set out in paragraph 9 in the table set out in paragraph 9.5 of Part 3 of the Council's Constitution. The provision of grants through the Council's Additional Restrictions Grant scheme is broadly dependent on funding from central government and in order for the scheme to be viable, the payment

of grants need to be met mainly by funding from central government rather than from the Council's own resources, though this is subject to the proviso of the Strategic Director for Customer and Digital Services making a bid for £2m of council funding to be allocated to the Council's ARG scheme.

- 5.4 The Council's ARG policy states that the Council will keep the scheme under review and amend it from time to time as required. The decision dated 16 November 2020 of the Chief Executive to approve the ARG scheme pursuant to urgency powers, noted that any amendments to the discretionary grant scheme that may be required to the policy would be made by and under the authority of the Strategic Director of Customer and Digital Services and the Director of Finance in consultation with the relevant Lead Members.

6.0 Consultation with Ward Members and Stakeholders

- 6.1 Schemes referred to in this report have come as part of the government's urgent response to the Covid-19 pandemic. As such there has been no consultation but briefings will be provided for all Members through the normal Council channels.

As mentioned above, the Cabinet Member for Resources, will be consulted where appropriate.

- 6.2 In addition to this, the Council will promote both schemes through its website, newsletters and social media.

7.0 Human Resources/Property Implications (if appropriate)

- 7.1 None

Report sign off:

Peter Gadsdon

Strategic Director of Customer and Digital Services

Report sign off:

Minesh Patel

Director of Finance