

# Report to Cabinet

**29 September 2021**

<b>Subject:</b>	Additional Restrictions Grant (ARG) Top Up
<b>Cabinet Member:</b>	Cabinet Member for Regeneration and Economy Councillor I Padda
<b>Director:</b>	Director of Regeneration and Growth – Tony McGovern.
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Regeneration Manager, Jenna Langford jenna_langford@sandwell.gov.uk

## 1 Recommendations



- 1.1 That Cabinet approve the revised Additional Restrictions Grant Top-up policy.
- 1.2 That the Director for Regeneration and Growth in consultation with the Cabinet Member for Regeneration and Growth, and the Director of Finance be authorised to allocate and administer £1.54m of Additional Restriction Grants.
- 1.3 That the Director for Regeneration & Growth in consultation with the Cabinet Member for Regeneration and Growth and the Director of Finance be authorised to allocate and administer £120,000 in business support activities.
- 1.4 That the Director for Regeneration & Growth in consultation with the Cabinet Member for Regeneration and Growth and the Director of Finance be authorised to make any changes necessary to the Additional Restriction Grant Policy, including amounts allocated between 1.2 and 1.3 above; in order to respond to any unforeseen circumstances which may arise between October 2021 and March 2022, in order to ensure all grant funding is expended within time frame.





## 2 Reasons for Recommendations

- 2.1 The Additional Restrictions Grants policy is being changed because since the earlier part of 2021 businesses have now returned to trading as usual and the previous policy was focussed largely based on businesses which had been adversely affected by lockdown restrictions. In this instance we wish to reward businesses who retain staff, particularly given that the governments furlough scheme ends in September 2021.
- 2.2 On 3 March 2021, BEIS announced that a further £425 million would be made available for Local Authorities, through a conditional top-up to the ARG Grant, subject to Local Authorities having spent their previous ARG allocations for financial years 20/21 & 21/22 by the 30 July 2021.
- 2.3 Sandwell Council has now reported to BEIS that all ARG funding has been spent, and the council has now received £1.66m of ARG top-up in late August 2021.
- 2.4 Sandwell Council’s Business Growth team has already administered over £9.6 million of ARG directly to businesses and sole traders.
- 2.5 The ARG Top Up funding scheme aims to support businesses severely impacted by the recent economic downturn created by the pandemic. Local Authorities can use ARG funding for business support activities and for funding a form of discretionary grants.
- 2.6 All funding must be spent by the 31 March 2022 and as such, the way in which the council utilises this funding must be aligned to available resources; the council’s decision-making processes; and procurement regulations. Flexibility will also be required to enable the council to respond to any changing circumstances over the grant period and therefore this is the reason for the delegation in 1.4 above.

## 3 How does this deliver objectives of the Corporate Plan?

	<p>Businesses who have furloughed staff which are in many cases young people can apply for a new grant.</p>
	<p>People who are business owners or staff in Sandwell will be supported and empowered with financial support</p>



	Supporting a range of business including those with lower turnovers with grants helps provide stronger more resilient communities
	A stronger and more inclusive economy is created by helping businesses and workers with support during a period of economic recovery from the pandemic

## 4 Context and Key Issues

- 4.1 The purpose of this report is to agree a policy whereby businesses can benefit from the remaining ARG funding and agree how the funding is to be distributed to businesses who qualify for support in line with criteria set by BEIS and Sandwell Council.
- 4.2 The council is ensuring that our ARG policy and process are in accordance with the guidance provided by the funder the Department of Business Energy and Industrial Strategy (BEIS).
- 4.3 Once approved this grant can be opened and launched online via a grant approval website called Ascendant which is being used by officers to administer current grants.
- 4.4 Two categories of grants will be offered: Category one- to provide further support to VAT registered businesses who have retained staff following their participation in the HMRC furlough scheme, which ends on the 30 September 2021; and Category two- to provide opportunity for any businesses which have not previously received any Sandwell Council Covid support grants to apply for funding.
- 4.5 It is estimated that approximately £1 million of funding will be provided in Category one- these grants will be made available for companies and organisations which have furloughed workers and later retained them. Where a business can demonstrate they have done this via HMRC documentation they would be awarded a one-off grant payment of £10,000.
- 4.6 It is estimated that approximately £540,000 of funding provided in Category two- these grants are for any remaining companies and organisations who have not previously been in receipt of any previous Sandwell Council Covid support grants. Awards of £5,000; £7,500 or £10,000, based on evidenced numbers of employees, will be made available.



- 4.7 The proposed wider business support package is aimed to assist Sandwell businesses and residents recover more fully from the recent economic downturn.
- 4.8 The Business Support package will be split into three elements.
- 4.9 Business support element one: this is a proposal to pay for between 10-20 business reviews of strategic companies who import and export goods and who wish to receive further specialist advice on markets, documentation requirements, and tax criteria relating to international trade. This is because a combination of Covid and EU exit consequences have adversely affected the trade supply chain. The benefits of this element will be to ensure the businesses remain stable and continue to employ staff. This was also recently offered by Shropshire Council and was well received.
- 4.10 Business Support -element two: this is a proposal to pay for between 100-200 free annual memberships of the Federation of Small Businesses to eligible businesses which apply, on a first come first served basis. They would receive a catalogue of support measures for a twelve-month period. This was also recently offered by Wolverhampton Council and has been popular with local business there.
- 4.11 Business Support -element three: this is a proposal to support residents and entrepreneurs in the Borough with an 'entrepreneurial business school'. We are wishing to support our residents with developing their business ideas to increase the number of business start-ups. It is envisaged that this will provide two weeks of informal client focussed training which increases participants awareness of entrepreneurship, and enterprise skills at no cost to them via a bookable online course. A similar proposal has recently been offered by Solihull Council and received a good take up.
- 4.12 Given that grant application levels can fluctuate, and government policies change there needs to be a degree of flexibility allowed in administration of this funding, and therefore this authority is sought, in line with recommendation 1.4 above.



4.13 It is recommended that the council provide £1.54million (92.8%) in grants and Business support interventions worth £120,000 (7.2%). The reason this option is preferable is that it provides several elements of strategic support to help businesses and economic sectors who have been adversely affected by the economic downturn. The grants will provide an element of financial support to eligible businesses, whilst the business support interventions will provide strategic advice to ensure Sandwell business are resilient and Sandwell Residents are encouraged to upskill and become more entrepreneurial.

## 5 Alternative Options

5.1 To provide £1.66million (100%) in grants directly and not offer the £120,000 (7.2%) Business Support interventions. The downside of this is that it would remove a level of extra support advice for up to 200 businesses, specialist guidance on trade and exporting goods for up to 20 Sandwell companies, and remove the opportunity for Sandwell Residents to participate in an 'Entrepreneurial Business School'.

## 6. Implications

<b>Resources:</b>	The financing is resourced by external government funding which would come from the business support element of the Additional Restrictions Grant. The staff who currently operate the other Additional Restrictions Grant would be able to deliver the top-up grant.
<b>Legal and Governance:</b>	Like all external funding this grant is subject to audit and monitoring and reporting delivery to government.
<b>Risk:</b>	Risk implications on the grant scheme are low, with the grant open online for several months to allow for people to be able to apply. The business support elements are medium risk given procurement requirements and the need to spend the grant by March 2022. However, this is mitigated to some extent through recommendation 1.3 which gives the flexibility to move between the two elements.



<b>Equality:</b>	Furloughed workers returning to employment is more likely than not to benefit people who were at a higher likelihood of being furloughed which is likely to benefit younger people and people from BAME backgrounds
<b>Health and Wellbeing:</b>	Implications for on health and wellbeing should be positive given that is additional funding is going to fund business and residents during a recession.
<b>Social Value</b>	Activities promoting companies retaining staff within their workforce, and the offer of entrepreneurship and enterprise training to any interested Sandwell resident via the Pop-up Business School will give people with lower formal academic skills and those on lower wages increased support.

## 7. Appendices

Additional Restrictions Grant Top-up Scheme Policy 2021.22

## 8. Background Papers

None

