

Economic Development Committee



25 January 2022

Title	<i>Additional Restrictions Grant (ARG)</i>
Purpose of the report	Update Committee on use of the ARG
Report Author	<i>Keith McGroary Economic development Manager</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	<i>N/A</i>
Corporate Priority	Economic Development
Recommendations	Committee is asked to: <i>Note the report</i>
Reason for Recommendation	<i>'Not applicable'.</i>

1. Key issues

- 1.1 The background:
- 1.2 The purpose of this report is to provide a written update with regards to the utilisation of the Additional Restrictions Grant (ARG) as included within the Economic Development Forward Plan.
- 1.3 The ARG is a fund allocated by the Government to all local authorities based upon its population size in order to provide financial assistance for each Boroughs business severely affected by the impact of COVID-19. The government referred to this as a 'Discretionary Grant' as each local authority could decide how to allocate the funding based on its local understanding of its economy.
- 1.4 The first allocation of funds from Government occurred in April 2020 when £711k was allocated and be distributed by way of grants. Further grants totalling £2,883,799 were allocated up to January 2021.
- 1.5 There have been 4 windows of opportunity for businesses to apply for an ARG from Spelthorne Council. When the 3rd window was dealt with, there remained a total of £2,257,799 available to support businesses. The grants have been advertised through the Council web pages, social media and the Spelthorne Business Forum; additionally, businesses that had applied previously have been contacted directly to make them aware of new windows.
- 1.6 Great care and time is taken to consider these applications to mitigate the risk of fraudulent claims; each application involves at least 2 officers to scrutinise the information provided.

- 1.7 The 4th window opened on 1st July and closed on 18th July 2021 resulting in 122 applications. To date around 50% of the applications have been reviewed and 24 of those businesses have received a payment with a total value of just over £100k

2. Options analysis and proposal

- 2.1 The government has enabled a degree of flexibility in relation to how the ARG is used to support business, but the key condition is that whatever we do it must give 'DIRECT SUPPORT' to businesses.

The ARG Task Group after much discussion and input agreed a series of interventions. These included: -

- Any new equipment which can be shown to help the business become more competitive / productive can be eligible for a grant of 90% of the cost of the item(s) up to a maximum of £20k. This could include new and greener equipment, which is more cost effective and efficient reducing the amount it costs to run, maintain, and repair. It is also likely to be less damaging to the environment adding to the company's green credentials.

Update: This has been implemented which resulted in 190 applications which is expected to cost in the region of £1m+. This is all going into the businesses that applied which will result in a number of them being able to offer new services and products as well as replacing old, inefficient equipment which will make businesses stronger, greener and more resilient than before.

- A programme of digital training could be made available to help the 'bricks and mortar' businesses to expand their offer by the provision of training through a variety of social media and digital workshops giving them the life-long skills to promote their business and combine bricks with the digital world. This can be through a presence on Facebook, Tic Tok, Snapchat, Pinterest and Twitter etcetera.

Update: The first series of training took place over 5 weeks in November and December. This was oversubscribed by 100% and as a result a new training period has been booked for February 2022. Feedback from the first course gave a satisfaction rate on average of 9.2 out of 10. A 100% of respondents stated that the training will have a positive impact on their business' profitability and productivity. The cost of the 2 courses is £10k

- Business support via one-to-one help to address concerns or ambitions about running a business, including HR, finance, business planning, marketing, growth, starting a business and much more.

Update: This went out to tender, and a company called Pro-Actions who already operate in the Borough were selected and will commence weekly clinics for up to 6 businesses in the course of a day on 25th January, and will run for 12 months. The cost of this contract is £45k

- Provision of annual membership of the Federation of Small Businesses (FSB) or Chambers of Commerce for businesses that may need regular support.

Could set aside £2k which may buy around 10 memberships, but the cost depends upon the size of business.

Update: Agreement has been made with the FSB to provide £5,000 worth of memberships at a discounted rate of 20%. These will be allocated over the next 12 months and will amount to around 30 memberships on offer.

- Provision of the building of bespoke websites for those businesses that do not have an on-line presence. This will enable them to reach out locally and further afield through their website which can be reached 24/7 when the shop is closed to take orders or attract customers. This would include Google my Business.

Update: Research is taking place to identify 3 Spelthorne based businesses to quote to provide this support.

- Free grants for training relevant to that business, this may include new skills and qualifications to support activities such as exporting, accessing new markets or skills required to improve efficiency for the business owner / employee to be more productive.

Update: This opportunity was circulated to businesses on 20.12.21

3. Financial implications

- 3.1 The funding is available for Spelthorne Council to dispense until 31.3.22; any money not spent must be returned to the government. With the outbreak of the latest Omicron strain of the virus it appears that the decision to hold back some funds until January may have been a wise one. Restrictions have already been implemented with regards to the wearing of masks and working from home and it is possible that more severe restrictions could follow which will no doubt negatively impact on businesses.
- 3.2 The ARG Task Group will need to give consideration in respect of the amount of funding that is left and identify the best means of utilising this to best support our businesses. The ARG Task Group will have met on 20th January 2022 prior to the committee meeting and decisions made, which will be presented to the committee.
- 3.3 There is currently £1,875,500 in the ARG fund left, however it is expected that at least £1m will have been spent to pay for the above.
- 3.4 During late December 2021 the Government announced a further payment of ARG fundings to local authorities, this is despite giving strict guidance that there would be no more money allocated once the last grants had been spent. The amount of funding has not yet been announced (4.1.2022), but it is expected to be in the region of £200k - £250k.

4. Other considerations

- 4.1 There are none.

5. Equality and Diversity

- 5.1 The impact on equality and diversity issues is considered at every action

6. Sustainability/Climate Change Implications

6.1 N/A

7. Timetable for implementation

7.1 January 2022 take stock of how much funding is left and agree how to best allocate the remaining funds prior to 31.3.22.

Background papers:

There are none.

Appendices:

There are none.