

Economic Development Committee



22 March 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 sometimes refers to this as a 'Discretionary Grant' as each local authority can decide how to allocate the funding based on its local understanding of its economy.
- 1.4 Grants totalling £2,883,799 were allocated to Spelthorne, and at the last update for the Economic Development Committee on January 25, 2022, there was £1,875,500 reported to be left in the ARG fund
- 1.5 As of 17th February 2022, the total amount allocated to business was £1,691,150. This now leaves **£1,192,649** which needs to be allocated prior to 31.3.22 when the grant scheme closes.
- 1.6 In addition to the above, in January 2022 the government awarded a top-up grant to support businesses that were badly affected by the Omicron outbreak over the Christmas period. Spelthorne received a total of £198,000 which was ringfenced for those businesses within the hospitality and leisure sector through the ARG funds. It was stipulated by the government that these funds

could only be used to give direct financial support for businesses through cash grant payments.

- 1.7 Originally the government stipulated that after the second allocation of the ARG grant in October 2020 that this was the final allocation of financial support to local authorities to support businesses during the pandemic and that this needed to last until 31.3.22. A strategic decision to ensure that funding was still available in January 2022 to cater for business support in the event of any further lockdowns was taken.
- 1.8 In spring 2021 the government announced further funding available to assist local authorities support business on condition that all funding allocated had been spent by 30th June. For Spelthorne that meant around £800k, but there was still £2.2m available. It was decided to make best use of these funds rather than quickly allocate the money in order to access the additional £800k.
- 1.9 During 2021 further grant opportunities were made for businesses to apply for support, including to purchase equipment which would allow them to carry out new work they were unable to do previously or replace old equipment which would allow them to become more efficient, productive and competitive.
- 1.10 On Monday 24th January Spelthorne opened a final window for applications; this was to invite businesses to apply for the Omicron grant, new equipment grant, shopfront grant and a cash grant for those businesses affected badly by the pandemic but had not to date received financial support via a grant. This was open for 3 weeks and closed on Sunday 13th February with a total of 235 applications recorded.
- 1.11 In addition to the above, Spelthorne council has already procured 12 months professional business coaching (£45k) with delivery commencing on 26th January, £5k worth of memberships to the Federation of Small Businesses (FSB) to be allocated over the next 12 months to businesses that would really benefit. We are also currently in the process of procuring the delivery of 9 further Social-Media for Business workshops (£42k) spread out over up to 2 years, and 25 websites (circa £50k) to be created for those businesses that can demonstrate significant benefits by accessing this facility.
- 1.12 Having looked through the applications we have established a very rough estimate for the total cost of paying 100% of all applications and services would come to around £1.4m. So, we are extremely confident that all the funds will be allocated.
- 1.13 The challenge for the team is to diligently process all applications and award the funds before midnight on 31.3.22. To this end, temporary support has been provided to help with checking the applications to ensure that all the documentation has been included and if not, enquiries made to access the missing information from businesses. This will enable a more fluent process of evaluating applications and help speed up the process.

2. Options analysis and proposal

- 2.1 Given that the Economic Development Committee is held on 22nd March and the ARG grant concludes 9 days later, there are no other options to consider. The only option is to ensure that the focus of the team is squarely upon ensuring that all applications for grants are processed so that our businesses receive the support they need and deserve.

2.2 Delivery of this scheme will take top priority which may mean other items within the work schedule including the 2022 – 27 Economic Prosperity Strategy may be delayed. The support of the Town Centre Manager has also been called upon which has meant his presence has not been as apparent over the last month or so, and this is likely to continue until April.

3. Financial implications

3.1 The funding is available for Spelthorne Council to dispense until 31.3.22; any money that has not left the council's account by then must be returned to the government.

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

Background papers:

There are none.

Appendices:

There are none.