

## **CABINET**

<b>DATE</b>	08/09/2021
<b>REPORT OF</b>	Councillor Callum Procter, Portfolio Holder for Economic Development, Housing and Tourism
<b>RESPONSIBLE OFFICER</b>	Sharon Wroot, Executive Director Environment, Economy and Resources
<b>SUBJECT</b>	Additional Restrictions Grant (ARG) – Phase 3
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO.</b>	SPECIAL URGENCY – to be considered under the special urgency rules as laid out in the Constitution with agreement of the relevant Scrutiny Chair.

### **CONTRIBUTION TO OUR AIMS**

The scheme will contribute to the Council's aims of a Stronger Economy and Stronger Communities by assisting business sustainability and growth through the administration of grant funds.

### **EXECUTIVE SUMMARY**

The Additional Restrictions Grant (ARG) is a discretionary grant fund which has been available through Government to support businesses through the Covid-19 restrictions. Local Authorities able to defray their full allocation by 31<sup>st</sup> July 2021 were awarded an additional Phase 3 allocation to utilise for wider business support activities. NELC has been awarded £891k which must be defrayed by 31<sup>st</sup> March 2022.

### **RECOMMENDATIONS**

1. That Cabinet notes the award of the additional funding.
2. That Cabinet delegates authority to the Executive Director for Environment, Economy and Resources to defray Phase 3 Additional Restrictions Grant (ARG) funding through an extension of the Digital Boost Grant, and Capital business grants for equipment or technology, or otherwise at the Executive Director's discretion, which will boost trade for those most affected or create business growth and job creation.

### **REASONS FOR DECISION**

To ensure that the Phase 3 ARG funding can be defrayed to businesses in a timely manner, and before the deadline of 31<sup>st</sup> March 2022.

#### **1. BACKGROUND AND ISSUES**

In October 2020, the Government announced further business restrictions and a number of grant support schemes to assist businesses through these restrictions.

In addition to mandated grants distributed to local businesses through the Local Restrictions Support Grant (LRSRG) and subsequent grant schemes, North East Lincolnshire Council has defrayed £4.6m of grants and additional business support

measures through the discretionary Additional Restrictions Grant (ARG).

To encourage Local Authorities to support businesses as quickly as possible, Government announced in April 2021 that Local Authorities who could distribute all of their ARG by 30<sup>th</sup> June 2021 (subsequently extended to 31<sup>st</sup> July 2021) would be eligible to draw down a further allocation. NELC were able to meet this target and have subsequently been awarded a further £891,622 which must be defrayed by 31<sup>st</sup> March 2022.

Of the £4.6m ARG funds, £240,000 was allocated to wider business support schemes, approved through Emergency Officer Decision Records.

The SME Advisory Group, a sub-group of the Development and Growth Board, was set up during the pandemic to focus on the ARG wider business support measures, and worked with officers to develop the Local2Local brand, Virtual High Street and Digital Boost Grant, and these have been hugely successful. Support is also being provided to new start businesses in the form of a dedicated business advisor and Start-Up academy through e-factor.

The expectation of further government support has now declined with businesses turning their attention to returning to normal trading. The SME Advisory Group are keen to see the new ARG funding utilised through an extension to the Digital Boost Grant and for those who have the opportunity to expand or create jobs to support the local workforce in the form of Capital grants for equipment or technology.

## **2. RISKS AND OPPORTUNITIES**

There is an opportunity to support a larger number of businesses who have the opportunity to diversify to sustain their businesses. In addition, eligible businesses who have growth opportunities will be able to access Capital grant funding in the absence of any other growth funding.

There is a risk that the scheme will be under subscribed, or that equipment cannot be procured within the time limit of the scheme, therefore there is a pressure to launch the scheme as early as possible to avoid any underspend.

## **3. OTHER OPTIONS CONSIDERED**

We could have chosen not to draw down the additional funding which would result in government funding not reaching businesses in the North East Lincolnshire region.

## **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

Reputationally, in addition to the £62m of Covid related grant funding defrayed to North East Lincolnshire based enterprises since March 2020 the council are seen to be doing as much as possible to aid businesses who have the opportunity to diversify or grow, creating a more sustainable economy and providing new job opportunities in the absence of any other capital grant schemes.

The scheme will be marketed via press, social media and business networks to ensure all eligible businesses have sight of the opportunity.

## **5. FINANCIAL CONSIDERATIONS**

Government have awarded NELC with £891,622 which will be utilised in the form of match funding for grant schemes. There will be no financial implications to the Council.

## **6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

There are no immediate climate change or environmental implications in the administration of this grant scheme.

## **7. CONSULTATION WITH SCRUTINY**

There has been no consultation with Scrutiny.

## **8. FINANCIAL IMPLICATIONS**

The proposal is to distribute Central Government grant to businesses and for retention within the local economy, with no cost liability to the Council.

## **9. LEGAL IMPLICATIONS**

Such grant funding has been a feature of the public sector response to the covid pandemic. The Council and Officers are equipped to ensure timely defrayment in line with grant conditions. The decision is consistent with previous decisions taken under the former emergency governance framework. The delegations are appropriate.

## **10. HUMAN RESOURCES IMPLICATIONS**

There are no direct HR implications

## **11. WARD IMPLICATIONS**

The grant will be available to businesses across the whole of North East Lincolnshire and will, therefore, affect all wards.

## **12. BACKGROUND PAPERS**

Emergency ODR 13<sup>th</sup> November 2020

Emergency ODR 29<sup>th</sup> January 2021

Emergency ODR 31<sup>st</sup> March 2021

[Emergency officer decisions - NELC | NELC \(nelincs.gov.uk\)](https://nelincs.gov.uk/emergency-officer-decisions-nelc-nelc)

## **13. CONTACT OFFICER(S)**

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**COUNCILLOR CALLUM PROCTER**

**PORTFOLIO FOR ECONOMIC DEVELOPMENT, HOUSING AND TOURISM**