

# **WAVERLEY BOROUGH COUNCIL**

## **EXECUTIVE**

**30 MARCH 2021**

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**Title:**

**Additional Restrictions Grant – Covid business support proposals 2021-22**

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**Portfolio Holder: Cllr Liz Townsend, Portfolio Holder for Economic Development**

**Head of Service: Zac Ellwood, Head of Planning and Economic Development**

**Key decision: Yes**

**Access: Open**

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### **Purpose and summary**

1. The Government has distributed billions of pounds of support to businesses during the pandemic through local authorities. Waverley paid over £22m of covid-support business grants to businesses in the Borough between April and October 2020. Since the November 2020 lockdown and subsequent statutory restrictions, Waverley has operated a further six separate business support schemes allocating government funding. One of the schemes is the Additional Restrictions Grant (ARG) which covers the period November 2020 to March 2022 and is targeted mainly at businesses that don't meet the criteria for the other specific support packages. The government guidance enables local authorities to allocate part of this funding towards wider business support measures to help its business community recover. Waverley received an initial £2.5m of funding and was required by government to set a discretionary grants scheme and decide how much money to allocate to wider business support.
2. This report sets out the proposed allocation from the first tranche of funding for wider business support measures and the main target areas for this funding. The report seeks Executive's approval to these proposals and agreement to a delegation to make specific allocations and payments within this framework so that funding can be quickly allocated as Waverley's business community rebuilds during 2021.

### **Recommendation**

It is recommended that the Executive:

1. Approve the allocation of £0.5m from the ARG first tranche of £2.5 received to wider business support measures with the balance and subsequent tranches being allocated to direct business grants alongside other grant schemes.
2. Approve the proposed four priority areas for strategic business support and the indicative initial spending plan set out in Annexe 1.

3. Delegate to the Strategic Director in consultation with the portfolio holders for finance and economic development, the spending of the wider support funding on specific business support projects and initiatives during 2021/22, having regard to the plan set out at Annexe 1.
4. Request officers to monitor activity and spending and report to councillors as part of the quarterly performance reports to Overview and Scrutiny Committee and the Executive and to review the agreed proposals in six months, seeking approval if material changes are required.

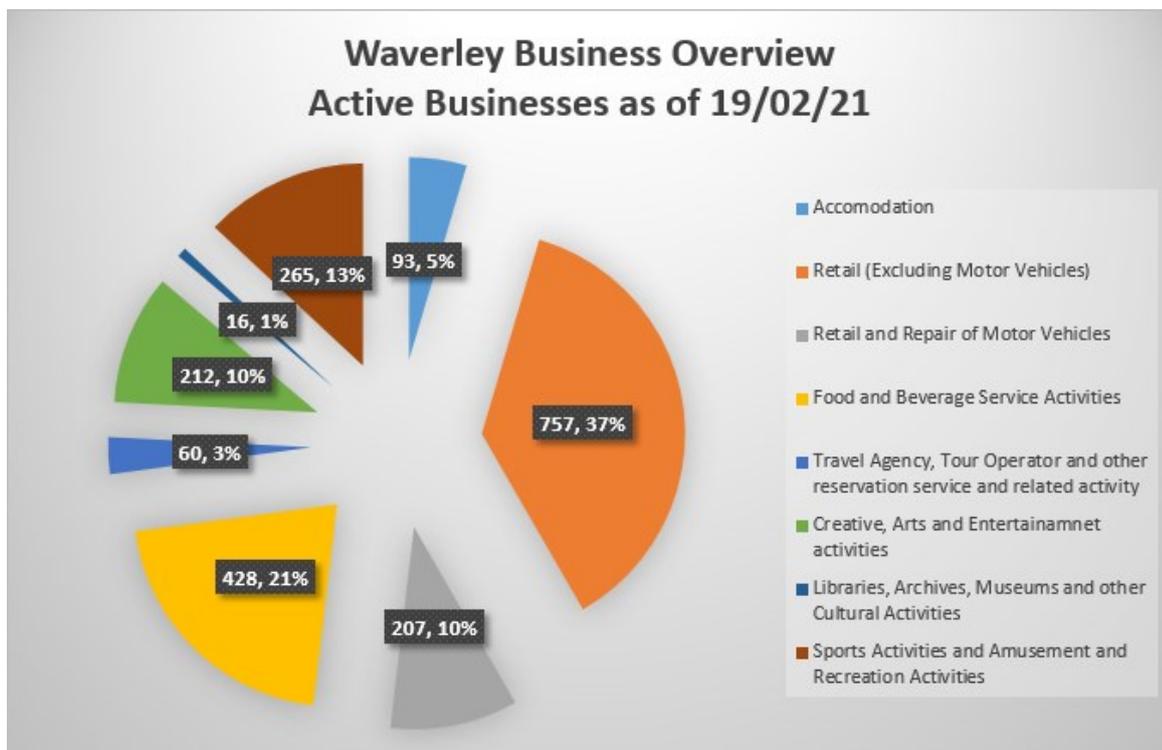
### Reason for the recommendation

3. The impact on the economy on certain sectors has been considerable and this money enables Waverley Borough Council to work in a more strategic ways to assist recovery and long term support to local businesses and employment. The delegation requested will enable speedy utilisation of these vital government funds to support businesses where it is most needed. These proposals are in addition to the significant package of grants being awarded by Waverley through the government’s various covid support schemes.

### Background and detailed proposals

4. With Covid-19, the borough’s largest sectors of employment retail, tourism and hospitality were shut almost overnight (figure 1), which led to vulnerabilities in the economy (Economic development covid action plan 2020-21). They, with other sectors such as the arts, have since experienced two further lockdowns which have increased the challenge on their business viability, further details set out in annexe 2.

Figure 1 - Number of businesses in Waverley in most hard hit sectors.



5. Waverley businesses impacted by the pandemic have been awarded over £30 million in business support grants during this period, including payments totalling £1.4m from Waverley's initial allocation of £2.5m Additional Restrictions Grant. In addition to direct grants, local authorities may use ARG funding in any way that provides business support, so long as businesses themselves are the beneficiaries of funding. Each local authority can determine its own level of funding for this purpose. It is proposed that Waverley sets aside 20% (£500k) of the first tranche ARG funding for wider business support measures in the Borough.
6. The government has outlined in detailed guidance and FAQs how these monies can be allocated and make specific reference to the following:
  - LAs can use the wider business support to help those affected by the pandemic
  - LAs may use ARG funding in any way that provides business support, so long as the businesses are the beneficiaries of the funding
  - LAs can provide funding to support new start ups
  - ARG can be used to employ new staff provided that they are employed for the sole purpose of providing outward facing business support/development projects as part of the delivery of the ARG
  - ARG can be spent on advice and guidance for businesses, skills training to support their ability to trade in changed circumstances etc.
  - LAs must follow their own procurement rules
  - This grant is to be spent by March 2022.
7. This is an important opportunity to directly support local businesses and boost local economic recovery - with the support and resources needed to have impact and this report suggests the spending of the allocated monies.

### **Proposed priority areas for business support**

8. Economic prosperity is impacted by many factors, many beyond the reach of the local authority. Economic development business support can offer some value to the business community. Based on business research and intelligence, the economic development covid action plan 2020-21, economic strategy 2018-32 and partners we would suggest the following interventions to reach as many businesses as possible. Aiming to reach at least 50% in each sector.
9. These initial activities have been cost benefit assessed as much as possible. Future business intelligence may suggest new projects and activities to support identified key priority areas.
  - Targeted support for key sectors – Retail/ tourism- visitor economy/ hospitality/ leisure/ events
  - Business diversification and start up
  - Digital connectivity
  - Business intelligence
10. More detail is included in Annexe 1 including a range of proposed specific initiatives that have been identified through discussion with the business community. Indicative costings are also shown for information.

11. These activities will be reviewed in six months, once key sectors of the economy have reopened and problem areas, and opportunities, further identified. This plan needs to be fluid and flexible so that Waverley can respond to the changing demands during the recovery period and can target support to the 'cliff-edges' when other government support eg furlough, tapers down and eventually withdrawn.

### **Relationship to the Corporate Strategy and Service Plan**

WBC Corporate Plan 2020-25. Strategic priority to supporting a strong, resilient local economy

Service Plan Planning and Economic Development 2021-24 - SP21/22 P21. Successful delivery of strategic priorities through expenditure of corporately- apportioned Additional Restrictions Grant (ARG) funding

### **Implications of decision**

#### **Resource (Finance, procurement, staffing, IT)**

The wider business support proposals in this report will be funded entirely from government grant. Provided that it is spent in accordance with government guidance, it will not be subject to a clawback.

#### **Risk management**

Review of activities at six months point to realign funding support activities once local economy reopened fully, with new gaps and opportunities.

#### **Legal**

"Waverley must allocate the Additional Restrictions Grant (ARG) in accordance with the "Additional Restrictions Grant - Guidance for Local Authorities (updated 4 March 2021)" issued by the Department for Business, Energy and Industrial Strategy. National and local Covid restrictions are legally binding restrictions imposed where the Secretary of State for Health and Social Care requires the closure of businesses under regulations made using powers in Part 2A of the Public Health (Control of Diseases) Act 1984. Local authorities are responsible for delivering the ARG funding, along with monitoring and reporting. Local authorities are also responsible for ensuring appropriate measures are put in place to mitigate against the risk of fraud and payments in error."

#### **Equality, diversity and inclusion**

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

Thorough efforts to be made to communicate support available to women and BAME businesses.

#### **Climate emergency declaration**

Co-ordination with the climate emergency strategy via business diversification advice support.

### **Consultation and engagement**

Online business survey, business task group, annual business meeting attendees, town and parish clerks.

### **Other options considered**

Identify different priorities, return the monies or distribute a greater proportion to business in direct grants.

### **Governance journey**

Executive

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### **Background Papers**

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Agreed and signed off by:

Legal Services: date

Head of Finance: date

Strategic Director: date

Portfolio Holder: date