

TONBRIDGE & MALLING BOROUGH COUNCIL
ECONOMIC REGENERATION ADVISORY BOARD

17 February 2021

Report of the Chief Executive

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 ADDITIONAL RESTRICTIONS GRANT

This report sets out progress to date with regards the use of Additional Restrictions Grants (ARG) to support local businesses and outline proposals for the future application of the remaining funding in order to support resilience and recovery during the period up to March 2022.

1.1 Background

1.1.1 In November 2020, Central Government released guidance on a range of new funding support for businesses as the impact of the covid-19 pandemic continued to hit the economy hard. This built upon previous schemes such as the Small Business Grant; the Retail, Hospitality and Leisure Grant and the Local Authority Discretionary Grant Fund which were administered by the Council in the period from March-September 2020.

1.1.2 The new guidance set out a wide range of schemes, including the ARG, which is a pot of funding for local authorities to use to support businesses that are not covered by other grants schemes or where additional funding is needed by the business. As well as direct grant support to business, a small proportion of the fund (less than 10%) can also be used for 'wider direct business support'.

1.2 Additional Restrictions Grant – Tonbridge and Malling

1.2.1 An initial allocation of £2,643,060 ARG funding to the Council was made by Central Government in November 2020.

1.2.2 In January 2021, it was announced that the Borough Council would receive an additional top-up grant of £1,173,922 bringing the total amount of ARG available for businesses in the borough to just over £3.8m.

1.3 Progress to Date

1.3.1 At the time of writing this report, solid progress has been made in distributing grant payments to local businesses. Two calls have now been completed, and a third is currently live.

1.3.2 The breakdown to date has been as follows:

- ARG1 – associated with the November 2020 (05 November 2020 to 02 December 2020) lockdown. This call for submissions opened on 18 November 2020 and closed on 16 December 2020. In total £460,000 of grants were distributed to just over 300 businesses.
- ARG2 (aligned with the LRSG (Open) scheme) – associated with the period the Borough was in Tier 3 and 4 restrictions (from 03 December 2020 to 04 January 2021). This call for submissions was opened on 05 January 2021 and closed on 21 January 2021. In total, just under £300,000 of grants (including £26,000 LRSG (Open)) was distributed to 247 businesses.
- ARG 3 (including Leisure and Hospitality Supplement) – associated with ‘January 2021 Onwards’ national lockdown. This call for submissions opened on 02 February 2021 and will likely remain open into March 2021. At the time of writing this report, just under 100 applications had been received.

1.3.3 As such from the first two calls, around £740,000 has already been distributed, and best estimates at this stage are that up to £2m could be distributed via the third call for proposals. This would mean that up to £2.75 million could be distributed in grants by the end of the current financial year.

1.3.4 This could leave just over £1 million to spend on discretionary grants and ‘wider direct business support’ during the 2021/22 financial year.

1.4 Proposed Outline Next Steps

1.4.1 The guidance from Central Government does restrict what this grant funding can be spent on. Indeed, a minimum of 90% needs to be spent on direct grant assistance to eligible businesses within the borough, and any remainder needs to be spent on direct business support.

1.4.2 Whilst the situation is constantly evolving, it is important to establish some key principles for this fund to ensure that the funding is spent in a timely manner on support that is helpful to local businesses, and also meets the key objectives of the Borough Council:

Short Term (April 2021 – June 2021):

- Where required, the fund continues to be used to provide support to businesses that are ineligible for the mandatory business rates grant schemes, but are nonetheless continuing to be impacted by restrictions.
- Should it be required, a small sum be set aside to ensure the extension of the Covid-19 Business Helpline beyond March 2021. This helpline is run locally by the Kent and Medway Growth Hub and has received well over

1,200 enquiries from Tonbridge and Malling based business since its inception in April 2020.

Medium Term (July 2021 – March 2022):

- Should there be sufficient funds remaining, the Borough Council could look to establish a final bidding round that aligns with its corporate priorities. At the last ERAB meeting, approval was given to setting up a Green Business Grant Scheme, which due to other pressures and the continuation of restrictions, has not been proceeded to date. However, any remaining Additional Restrictions Grant funding could be used to not only help contribute towards delivering this scheme but also widen its remit to encourage businesses regarding other corporate priorities as set out in our Economic Recovery Strategy (such as tackling youth unemployment and supporting the West Kent KickStart Scheme) and our Digital Strategy.
- With any remaining funding, a small sum could be set aside for direct business support and advice (possibly supplemented with micro-grants) that would look to support businesses as they work towards recovery – this is not yet defined but could include measures to help bricks and mortar retailing strengthen their on-line presence, or provide additional advice and support to help individuals set up new businesses. Should this avenue be pursued, a further report setting out more detailed proposals will come to the board for consideration.

1.5 Legal Implications

1.5.1 None

1.6 Financial and Value for Money Considerations

1.6.1 Additional Restrictions Grant funding has been given to the Council by Central Government predominantly to distribute financial assistance to local businesses that meet the required eligibility criteria, as well as to provide 'wider business support'.

1.7 Risk Assessment

1.7.1 Not Applicable

1.8 Equality Impact Assessment

1.8.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.9 Recommendations

1.9.1 That the report **BE NOTED**.

1.9.2 That the outline approach set out in this report to the allocation of Additional Restrictions Grant during 2021/22, **BE ENDORSED**.

Background papers:

None

contact: Jeremy Whittaker

Strategic Economic Regeneration
Manager

Julie Beilby, Chief Executive