

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	29 JULY 2021	5
ADDITIONAL RESTRICTIONS GRANT – FULLY FUNDED REVENUE BUDGET INCREASE			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The report provides details of the Additional Restrictions Grant (ARG) funding that has been administered by the Council on behalf of the Department for Business, Energy and Industrial Strategy (BEIS) to date with the recommendation to add a fully funded ARG award of £583,161 to the 2021/22 revenue budget.

RECOMMENDATIONS

1. The Committee are requested to approve a fully funded revenue budget increase of £583,161 in 2021/22 funded from BEIS to administer in accordance with the ARG guidance delivering support to local businesses until March 2022.
2. That the committee note the significant support provided to local businesses and the economic recovery from COVID through the administration of the ARG fund.

SUMMARY OF PREVIOUS DECISIONS

N/A

CORPORATE PRIORITIES

Economy – To create a vibrant and healthy economy	✓
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	✓

REPORT

Additional Restrictions Grant (ARG)

1. The Additional Restrictions Grant (ARG) is a limited financial support package funded by central government through BEIS to provide support to businesses adversely affected because of COVID restrictions and / or social distancing measures, particularly businesses that could not access financial support through other national grant schemes i.e. Local Restrictions Support Grant; Closed Business Lockdown Payment; and Restart Grant.

The ARG has been administered by the local authority in accordance with the guidance provided by BEIS.

2. The key message to local authorities from the Secretary of State in respect to all business support funding has been to get grants paid to the eligible businesses as soon as practical with the financial support needed because of the immediate impact of lockdown and COVID measures on businesses. A significant amount of employee resource was required to ensure that every scheme was administered correctly but as quickly as possible with extensive post payment reporting that will be in place until 2022.
3. The ARG was first awarded in October 2020 as a single allocation based on £20 per head of population for each local authority to operate a 'discretionary' grant scheme in accordance with the guidance provided by BEIS, when entering Tier 3 then the November 2020 national lockdown restrictions. Fylde received the first grant of £1,615,600 following the introduction of Tier 3 restrictions on 15 October 2020.
4. In January a further ARG award was made in response to the third lockdown and the ongoing COVID measures continuing to impact businesses that were not eligible for LRSF funding or where more adversely impacted because the business relied on 'gathering' i.e. clubs, theatres, events etc, the award was again based on per-population, Fylde was awarded £717,573, taking the total allocation to Fylde at that time to £2,333,173.
5. With the lockdown from January 5th, 2021 extending to June (now July) with announcement of the national road map in February 2021, there was the opportunity for a further award provided that the local authority could demonstrate that the previous funding had been spent in accordance with the guidance by June 30th, 2021. Fylde successfully administered all the previous ARG grant funding by June 10th 2021 qualifying for a further allocation of £583,161. The committee is requested to approve this award as an addition to the 2021/22 revenue budget to be administered in accordance with the guidance.
6. The objective of the ARG scheme is:
 - a. To offer financial assistance to a priority range of businesses operating in the **hospitality, leisure, and accommodation sector** that have been severely impacted by COVID related restrictions; This is consistent with the guidance provided by the government when allocating support grants. Small and medium sized businesses, often independently owned, in these sectors have been most severely impacted by the restrictions on travel, social mixing, in-person service, and premise control measures in businesses that cannot deliver services online.
 - b. To provide strategic financial assistance to larger businesses critical to the economic recovery of the local economy in 2021; and
 - c. To communicate advice and support (financial and non-financial) to all businesses affected by COVID-related trading restrictions.
7. Local Authorities have discretion to determine precise eligibility criteria for the ARG grant scheme to target local priority businesses however this is subject to meeting the conditions / requirements set out in the published guidance from BEIS which is currently at the eighth revision as of June 2021.
8. The aim of the ARG fund at Fylde Council is to support as many local businesses as possible that have been adversely impacted by COVID measures and which make a major contribution to the priority business sectors in the local economy. The fund is limited therefore it has been necessary to prioritise the businesses to support and the level of grant provided.
9. When the first ARG grant was announced in October 2020 there were no plans to make further allocations, the expectation was that the November lockdown that followed the September / October tier arrangements in Lancashire would lead to the re-opening of all businesses for Christmas, this was not the case. The message from BEIS was to use the ARG to provide immediate support to retail, leisure, tourism, and accommodation businesses impacted by COVID measures and to also consider longer term schemes that will assist the recovery of the local economy post pandemic, with the original funding to be spent by March 2022.
10. The requirement for subsequent lockdown periods and extended COVID measures triggered the decision to allocate further ARG grant funding with the same objectives and guidance. The continuation of the January lockdown and COVID measures led to a decision to make available further ARG funds on the provision that previous ARG funds had been spent. This was a shift from the initial advice in October 2020 that the fund should be for both immediate support and longer-term recovery. The funded budget increase approved in this report

will be used to support the longer-term post COVID recovery to March 2022.

11. Fylde Council has delivered several schemes aimed at offering support to as many local businesses as possible that have been most adversely affected by COVID measures, which have been unable to access any other funding (or insufficient grants) and are in the priority sectors of retail, tourism, leisure and hospitality in accordance with BEIS guidance. ARG has also been used to support the recovery of the local economy as the nation moves towards post pandemic. Appendix 1 to this report outlines the details of the various ARG schemes that have been administered at Fylde.
12. To date (6th July 2021) 794 individual businesses have been supported through the ARG scheme within the overall funding envelope. The additional fully funded increase of £583,161 to the ARG fund will be spent by 31 March 2022 in accordance with the guidance.

IMPLICATIONS	
Finance	The Committee is requested to approve a fully funded revenue budget increase of £583,161 in 2021/22 funded from BEIS to administer in accordance with the ARG guidance delivering support to local businesses until March 2022.
Legal	The council is required to administer the scheme in accordance with the guidance issued by BEIS and provide post payment assurance.
Community Safety	There are no direct impacts because of the report
Human Rights and Equalities	There are no direct impacts because of the report
Sustainability and Environmental Impact	There are no direct impacts because of the report
Health & Safety and Risk Management	There are no direct impacts because of the report

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
ARG Schemes at Fylde	July 2021	https://new.fylde.gov.uk/additional-restrictions-grant-main/ https://new.fylde.gov.uk/additional-restrictions-grant-main/
Business Grant Guidance	Oct 2020	Government Website
BEIS Website	N/A	https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy

Attached documents

Appendix 1 – ARG Support Scheme

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All ARG support schemes were administered on behalf of BEIS and developed in accordance with the published guidance – the latest draft can be [found at this link](#).

ARG EVENTS SUPPORT GRANT

uk/additional-restrictions-grant-main/" [Ongoing Scheme](#): *Up to £10k, the scheme is a longer-term recovery initiative that will run until March 2022.*

The ARG Event Support Scheme is aimed at supporting recovery of the tourism and culture economy in Fylde in the post-COVID pandemic period. The ARG Event Support Scheme will contribute towards any additional cost of an event resulting from measures put in place to manage COVID infection and other costs associated to the delivery of the event attributed to the pandemic. The grant is also intended to support the post-pandemic recovery by supporting events in the Autumn and Winter months that extend the traditional event season and attract footfall.

The grant funding will be available to any formal established organisation, private sector business, or recognised charity that holds an event between 1 July 2021, and 31 March 2022, subject to the criteria set out in the scheme. Support will be available to returning events, new events, and one-off events established to support the post-pandemic economic recovery in Fylde. ARG grants are aimed at sectors of the economy and businesses that have been adversely impacted by the COVID 19 pandemic, events fall within this category.

ARG awards cannot be made to public authorities including town, parish, and borough councils and an event must be an attraction or entertainment activity available to the public, private events restricted to invites and / or members will not be supported.

The applicant/s must be able to demonstrate the cultural and tourism benefit from the proposed event and the economic impact it will have on recovery in the local area for example, the wider economic impact from expenditure in the local community because of increased footfall. Organisers will have to demonstrate that the pandemic has adversely impacted the core business and that ARG funding will contribute to the recovery of the business.

Eligibility

To be eligible to apply for the ARG Event Support Grant the following must be met:

- The event must be held in the Fylde Borough
- The operator must be local to and / or operate in the Borough.
- The event must take place before March 31st, 2022.
- The event must have cultural, social and / or economic benefit.
- The event must be a form of attraction, show, entertainment etc.

- The event must be available to the public (free or by ticket).
- The event must comply with the guidance for all events in Fylde.

The organiser must be an actively trading business/registered charity/sole trader. A business is trading if it is engaged in business activity. This should be interpreted as carrying on a trade or profession or buying and selling goods or services to generate turnover.

Exclusions

- Only 1 application per event can be accepted. Multiple businesses cannot be awarded for the same event.
- Businesses which are in administration, insolvent or where a striking-off notice has been made.
- Extensions of, or additions to established and existing events are excluded. For example, daily, weekly, monthly established markets and car boot sales, travelling fairgrounds/fun fairs. This list is not exhaustive so please contact us if you are unsure to confirm eligibility before applying.

What the grant can fund

If a grant is awarded it can be used to fund up to 100% for measures that are additional to manage the COVID 19 virus e.g. testing facilities; additional equipment or resources for social distancing; sanitisers / hygiene facilities etc. and up to 50% (to a maximum of £10,000 in total) for any element of the operational infrastructure, including:

- Equipment hire and set up i.e. toilets, marquees, etc.
- Event safety arrangements i.e. road safety
- Marketing, publicity, and promotion
- Hire of land or assets to hold the event.

ARG funding cannot be used for capital investment or purchases.

Grant Conditions

- Any award will be made on approval of the application with payment made to the organisation on the production of certified receipts.

- The grant cannot be used to pay salary, wages, commission fees etc. to any individuals associated with the event.
- The grant cannot be used for capital assets.
- The application must be submitted by January 31st, 2022, to allow time to process the scheme by March 31st, 2022.

Applications must be made using the online form.

ARG VACANT PREMISES GRANT

fylde.gov.uk/additional-restrictions-grant-main [Ongoing Scheme](#): *Up to £10k, the scheme is a longer-term recovery initiative that will run until March 2022.*

The Additional Restrictions Grant (ARG) Vacant Premises Grant was established April 2021 to support start-up costs for small local businesses which locate in vacant premises between 1 March 2021 and 31 March 2022. This scheme is intended to stimulate new business in the town centres of St Annes, Lytham and Kirkham that will encourage footfall to the area. The grant will support new businesses with a contribution towards the initial investment for shop fitting and set-ups costs. Applicants can claim for up to 50% of the setup, shop fitting, refit, or branding cost of the business to a maximum of £10,000. The economic climate has been challenging for all business during the COVID pandemic with in-person businesses having had additional costs to keep customers safe, while trading has been restricted due to COVID measures.

Businesses which meet all the following criteria can apply for a grant:

- Moving or expanding into a vacant / empty high street unit in the town centre*
- Offering an in-person service that would generate footfall to the town centre
- Small independent sole trader / operator or locally based chain
- Premises must be within the town centre locations as marked in Appendix 1
- Premises must include ground floor shop frontage

*if the move involves creating a vacant premise in the designated town centre support area the business will not qualify for the grant.

Exclusions

- Businesses that are part of a large regional or national chain / franchise in the food and drink, hospitality, or beauty / hair sectors
- Existing businesses relocating from one town centre location in Fylde to a different town centre (unless expanding)
- Business that might duplicate or displace already established businesses
- Businesses that do not have fixed premises in the town centre

Applications can be made via an online form.

ARG DISCRETIONARY AWARD SCHEME

Closed scheme awarded £1,081,000 to 639 eligible applicants.

The local discretionary grant scheme set up in November 2020 was operated by every local authority and funded through the ARG. It was aimed at businesses that do not have business rate accounts or are not in the economic sectors that make them eligible for other grants.

Who could apply for the ARG?

The scheme was aimed at a range of priority businesses in the Fylde economy including the following:

- Leisure, hospitality, and tourism businesses without business rate accounts that have not been eligible for any other support
- Small businesses in shared rented space e.g. market traders not eligible for any other support
- Small businesses that remain open during the national lockdown but have experienced a significant loss of income due to national restrictions
- Amateur sports clubs, charities, and community recreational associations not eligible for any other support

- Home workers experiencing significant loss of income due to national restrictions
- Mobile workers who have been forced to cease trading under Tier 3 or National Lockdown restrictions

Eligibility

To be eligible to apply for the ARG the business must:

- Be located and trading primarily in the Fylde borough area
- Have been trading on, and before 16th October,
- Be adversely affected by the restrictions introduced in Tier 3 and the national lockdown
- Have less than 40 employees
- Have ongoing fixed costs associated to the business

Exclusions

The following exclusions will apply:

- Businesses that are part of a large regional or national chain / franchise
- Businesses that are eligible for a Local Restrictions Support Grant (Closed)
- Businesses that are in administration, insolvent or where a striking-off notice has been made
- Mobile workers who were not required to cease trading during Tier 3 or National Lockdown restrictions

Three levels of grant were available through the ARG scheme: £1000, £2000 or £3000. The amount awarded to eligible applicants was based on an assessment of the evidence provided against the following criteria:

- The impact of lockdown measures on income to the business, considering whether the business has been able to continue any trading (including online)

- Any impact on the ability to trade because of social distancing and lockdown measures e.g. additional cost to address COVID measures
- The financial viability of the business in terms of cash flow and reserves

The first round of the scheme closed to applications in December but as a result of the National Lockdown in January 2021, a second round of applications was opened with new businesses awarded with further awards made to businesses that had already successfully received a payment in round one. Following the continued restrictions and the additional support offered in the form of the Restart Grant to rate-paying businesses forced to close by restrictions, a final payment was made to the majority of successful applicants across both application periods based on the severity of the impact from ongoing COVID restrictions in priority business sectors.

ARG LICENCED DRIVERS SCHEME

Closed scheme awarded £212,450 awarded to 609 applications (over two awards)

This was a targeted scheme for taxi drivers licenced with Fylde Council. The impact from reduced tourism footfall across the Fylde coast has adversely affected licenced drivers that have had limited or no other means of support from other local or national schemes.

The initial scheme was open to drivers with a valid licence from Fylde Council on 16 October 2020 and drivers were contacted directly in December 2020 to complete an online form and claim the award.

As a result of the National Lockdown in January 2021 National lockdown and the continued lack of demand for taxi services due to the restrictions, a second round of the award was made and new drivers since October were contacted to allow them to claim their first award on the scheme.

ARG CLOSED PREMISES SUPPLEMENTARY SCHEME

Closed scheme awarded £320,500 to 197 eligible applicants.

After the second National Lockdown between 5 November and 2 December 2020, most premises in the hospitality and accommodation sector were required to remain closed from 2nd to 30th December because Lancashire was subject to Tier 3 restrictions – these were the days when Liverpool was Tier 2 and everyone headed there for the night out. The closure came at a time when the businesses in this sector would have been experiencing the busiest trading period of the year, in the build up to Christmas and New Year, increasing the financial impact of the closure restrictions.

In response to this an additional supplementary award was made from the ARG fund for businesses in the hospitality and accommodation sectors whose premises were required to remain closed during December that had already made an LRSG (Closed) or ARG application prior to 24 December 2020. The businesses that received an additional supplementary award were contacted directly to notify them of the award that was made alongside the government closure grant.

ARG EXCEPTIONS SCHEME

Closed scheme awarded £344,496.86 to 18 eligible applications

This scheme was set up in January 2021 to address exceptional circumstances where local businesses have been unable to secure enough support from other grant schemes (including other elements of the ARG). The scheme supported priority businesses in the local economy where there was evidence of significant and exceptional or unique circumstances that place the business at risk as a direct result of local or national COVID restrictions.

Almost every business had challenges under the COVID regulations and there are grants available, however some businesses have circumstances that led to far more adverse impact by the COVID regulations and required additional support.

The criteria for eligibility included:

- The business must have already been awarded an LRSG (Open), LRSG (Closed), or ARG Discretionary award.
- Long term (minimum 6 month) impact as a direct result of COVID restrictions on the income of the business without any significant recovery between the lockdown periods.
- The business has premises or operational costs that cannot be reduced or mitigated because of closure or reduced trade
- The business is not a sole trader and employs at least five people (paid or volunteers)
- The service or product is delivered or produced in the borough of Fylde; and that
- The business is in the leisure, tourism, entertainment, or hospitality sectors

Following an initial enquiry and eligibility check, applicants were invited to submit an online application form.

ADDITIONAL RESTRICTIONS GRANT SUPPLEMENTARY – ANIMAL BOARDING FACILITIES

Closed scheme awarded £148,000 to 22 eligible applications

In March 2021, the Council allocated funding for a discretionary award to kennels and catteries in the Borough that have been unable to access the LRSG (Closed)/CBLP grant schemes but are adversely impacted by the COVID pandemic regulations that restrict international travel and guidance restricting domestic travel, both reducing demand for animal boarding facilities for almost all of the pandemic to date.

Businesses with an animal boarding license were directly contacted and advised to complete an online form to access the award. Following the continued restrictions and the additional support offered in the form of the Restart Grant to businesses forced to close by restrictions, a second payment was made to these businesses to support their recovery.

ADDITIONAL RESTRICTIONS GRANT SUPPLEMENTARY - WEDDINGS TRAVEL LIVE EVENTS

Closed scheme awarded £163,000 to 63 eligible applications

With the announcement of Road Map and continued ongoing COVID measures funding for a discretionary award to businesses involved with weddings, live events, travel or where gatherings are required to take place was made, this was because businesses in these sectors have been significantly adversely impacted by COVID related restrictions, measures and the period to full recovery for these sectors is long-term.

The award was based on the nature and size of the business as well as the ongoing cost of the business premises. The business had to have already been awarded an LRSG (Closed) or ARG Discretionary award for it to be eligible for this award.

ARG STEP 3 EXTENSION SUPPORT SCHEME

Closed scheme awarded £64,500 to 26 eligible applications

In July 2021, an additional award was made to those businesses that are 'most significantly' impacted by the four-week extension of the COVID measures in Step 3 of the National Road Map to Recovery to 19 July 2021.

The sectors awarded included:

- Animal boarding - the restrictions on travel remaining in place reducing demand for animal boarding facilities.

- Locally owned travel agents - the restrictions on travel remaining in place reducing demand for travel agencies.
- Wet-led night-time venues - the restrictions on capacity, social distancing, and table service remaining in place reducing the ability for businesses whose primary income is vertical drinking to operate at normal capacity.
- Locally owned theatre - the restrictions on social distancing remaining in place reducing the available capacity that theatre venues can offer.
- Coach travel companies - the restrictions on travel and social distancing remaining in place reducing demand and available capacity for coach travel businesses.

The business must have already been awarded an LRS (Closed) or ARG Discretionary award for it to have been considered for this award.