

ALLOCATION OF ADDITIONAL RESTRICTIONS DESCRETIONARY GRANT TRANCHE 3

1. INTRODUCTION

- 1.1 The purpose of this document is to gain approval for the proposed allocation of tranche 3 of the Government's Coronavirus COVID-19 business support 'Additional Restrictions Grants' (ARG).

2. BACKGROUND

- 2.1 In November 2020, in response to the Coronavirus COVID-19, the Government allocated further business support funding to Local Authorities in the form of 'The Additional Restrictions Grant' (ARG). ARG was designed to support businesses, impacted by Covid restrictions, that were not eligible for the separate payments made to rate-paying businesses in qualifying premises.

New Forest District Council (NFDC) was initially allocated tranche 1 ARG funding of £3,601,720.

In January 2021, an additional tranche 2 of £1,599,713 was allocated to the existing ARG fund to support businesses impacted by the continuing lockdown restrictions.

In August 2021, as ARG tranches 1 & 2 had been fully allocated by the qualifying date, NFDC was awarded further tranche 3 ARG funding of £ £1,402,655. Tranche 3 must be fully allocated by 31 March 2022.

This Portfolio Decision is in respect of the proposed allocation of this new tranche 3 fund.

To date there have been 5 separate rounds of ARG direct grants to businesses, covering the impact of the restrictions from 5 November 2020 to 31 March 2021, as follows:

- The New Forest Taxi Driver Grant: specific support for the New Forest's licenced taxi drivers during the winter of 2020/21.
- ARG issue 1, Issue 2 & issue 3 supported New Forest businesses of any size and structure, including those based at home within the sectors detailed below.
- ARG issue 4 recognised the additional impact of the restrictions on medium-sized businesses (those employing 50 – 250 employees) also in the following sectors:
 - Businesses required to close by law, but which were not responsible for the business rates on the premises (and were therefore not eligible for the Government's rates based 'Business Support Grants' or 'Restart Grants')
 - Businesses not required to close by law because they were classified by Government as 'essential businesses' but that were impacted by the restrictions.
 - Businesses in the hospitality, events and leisure sectors
 - Businesses in the wider supply and service chain for the above sectors

- Businesses in the manufacturing and engineering sectors and their supply and service chains
- Businesses registered with Ofsted that provide childcare

ARG grants also provided sponsorship of New Forest Business Partnership's Business Support Events and support for Hythe Ferry.

NFDC ARG schemes have to date supported 750 New Forest businesses with emergency funding to support their cash flow during the impact of the national and local Covid restrictions.

The ARG schemes are administered by the Economic Development team, with support from the Revenue and Benefits team and the budget responsible Officer Ryan Stevens, Service Manager, Revenue and Benefits.

3. FOR CONSIDERATION: ALLOCATION OF TRANCHE 3 ARG FUNDS

- 3.1 The following initiatives will allocate all tranche 3 ARG funds by the deadline of 31 March 2022:
- 3.2 In accordance with Government guidance; the bulk of ARG Tranche 3 funds (£1,338,326.00) will be allocated as direct grants to New Forest businesses.

At the time, there was insufficient Government ARG funding to support businesses during the period of restrictions from 31 March until 19 July 2021 (when the government lifted most Covid restrictions). The new allocation of tranche 3 ARG funding will enable NFDC to provide support to businesses impacted during this period.

This scheme will be called 'ARG 5' and will be launched in November 2021. The scheme will support businesses in receipt of ARG 1 – 3.

Previous recipients will be contacted direct, invited to apply and asked to declare that they still meet NFDC's eligibility criteria. The grant amounts are set to reflect the available budget and acknowledge the higher level of fixed costs for businesses occupying commercial premises (see appendix 1).

Due to the constraints of the budget, and the aim to support businesses who have continued to trade and been affected by the pandemic, it is not proposed at this time to open ARG 5 to new applicants, but this will be reviewed if resources permit.

- 3.3 **The Rural Productivity Hubs and Spokes project** is a collaboration with Isle of Wight Council. This project aims to improve productivity for small and micro SMEs in the more rural areas of the Solent LEP. The project will employ 3 regional advisors (1 nominally based in the New Forest) to work with businesses with an aim to produce an action plan on how the company can progress and improve productivity. The project is funded through the European Regional Development Fund (ERDF) with both partners providing cash and in-kind (staff time) as matched funding. It is proposed that NFDC use ARG funding of £40,000 as match funding towards this project. ARG scheme guidance allows for ARG funds to be used as match funding for other funding streams that provide support to businesses.

- 3.4 The aim of **the New Forest Shop Doctor Programme** is to improve the customer experience in 4 town and village centres throughout the New Forest through a series of Shop Doctor (mystery shopper) visits. The programme will prioritise local independent retail and hospitality businesses enabling those participating to identify individual areas of strength and weakness, resulting in a higher quality standard of retail and hospitality provision. Mystery shopper events were undertaken in 2018 & 19 in New Milton, Hythe and Lyndhurst and these proved beneficial to businesses. A provisional budget of £14,000 has been allocated to support this activity.
- 3.5 **The Rebel Business School** will support new and existing businesses, and those wishing to move into self-employment, through an intensive week-long programme at the end of October 2021. NFDC is working in partnership with councils in East Hampshire, Havant, and Waverley to ensure this learning and networking opportunity is available free of charge to local entrepreneurs. A budget of £3,706 has been allocated to support this activity.
- 3.6 These proposals have been developed in consultation with the Budget Responsible Officer, Ryan Stevens, Service Manager, Revenue and Benefits.

4. CONCLUSIONS

- 4.1 The allocation of ARG tranche 3 funds as detailed above, will enable NFDC to make payments to businesses impacted by the restrictions in place after 31 March 2021 and to provide targeted support to help the recovery and resilience of New Forest businesses.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications to the Council as the ARG scheme is fully funded by Central Government.

6. CRIME & DISORDER IMPLICATIONS

- 6.1 There are no crime and disorder implications.

7. ENVIRONMENTAL IMPLICATIONS

- 7.1 There are no environmental implications.

8. EQUALITY & DIVERSITY IMPLICATIONS

- 8.1 There are no equality and diversity implications.

9. RECOMMENDATIONS

- 9.1 That the Additional Restrictions Grant Allocation Policy for tranche 3 be approved.

10. PORTFOLIO HOLDER'S ENDORSEMENTS

PORTFOLIO HOLDER FOR BUSINESS, HIGH STREETS & TOURISM:

I have agreed to the recommendation of this report.

Sign: CLLR MICHAEL HARRIS Date: 28 OCTOBER 2021

PORTFOLIO HOLDER FOR FINANCE, INVESTMENT AND CORPORATE SERVICES:

I have agreed to the recommendation of this report.

Sign: CLLR JEREMY HERON Date: 28 OCTOBER 2021

Date notice of decision given: 29 OCTOBER 2021

For further information contact:

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Background Papers:

**Appendix 1: ARG 5 Grant Payment
Policy Oct 21**

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