

Executive Board
19 October 2021

Subject:	Additional Restrictions Grant – Discretionary Grant Framework
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director for Growth and City Development Nicki Jenkins, Director of Economic Development and Property
Portfolio Holder(s):	Councillor Rebecca Langton, Portfolio Holder for Skills, Growth and Economic Development
Report author and contact details:	Robert Dixon, Head of Business Growth robert.dixon@nottinghamcity.gov.uk
Other colleagues who have provided input:	Ceri Walters, Head of Commercial Finance
Subject to call-in: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Key Decision: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Criteria for Key Decision:	
(a) <input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Type of expenditure: <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Total value of the decision: £1,836,957	
Wards affected: All	
Date of consultation with Portfolio Holder(s): 1 September 2021	
Relevant Council Plan Key Theme:	
Nottingham People	<input type="checkbox"/>
Living in Nottingham	<input type="checkbox"/>
Growing Nottingham	<input checked="" type="checkbox"/>
Respect for Nottingham	<input type="checkbox"/>
Serving Nottingham Better	<input type="checkbox"/>

Summary of issues (including benefits to citizens/service users):

The Council has received an additional £1,836,957 Additional Restrictions Grant from the Government, to support businesses affected by the Coronavirus pandemic. This report seeks approval for a framework for the distribution of that grant in line with local priorities. This additional funding is on top of approximately £150,000,000 of grant funding distributed already to businesses for Covid-19 support.

The Additional Restrictions Grant is a discretionary grant subject to UK Government Guidance, but a local flexibility to support businesses based on local knowledge and priorities. The grant will be distributed to businesses via an open grant application process in line with the national guidance. The framework below is to allow grant distribution to targeted groups with local discretion, with 'ring-fenced' priority amounts, subject to successful grant application.

Exempt information: None.

Recommendation(s):

(1) To accept the allocation of the £1,836,957 Additional Restrictions Grant from central Government to support businesses adversely affected by the Coronavirus pandemic.

(2) To agree the framework as outlined in the report to inform the distribution of business grants through the Additional Restrictions Grant.

1 Reasons for recommendations

- 1.1 The Council has been allocated £1,800,000 of Additional Restrictions Grant (ARG) by the UK Government.
- 1.2 The Additional Restrictions Grant is part of an allocation of funding by the Government to support businesses impacted by the Coronavirus pandemic. While the main grant funding was administered via a mandatory grant scheme with Government guidance, the Additional Restrictions Grant is specifically available for local authorities to provide additional support to impacted businesses with local discretion.
- 1.3 Ongoing consultation with businesses has identified a number of gaps that previous grant funding has not supported, or where local businesses still have significant challenges due to reduced income or additional costs as a result of Covid-19. In addition, additional priorities have been identified in line with the Economic Recovery and Renewal Plan to support the longer-term recovery of the economy.
- 1.4 Key issues identified are as follows:
 - retail and hospitality businesses, still reporting reduced custom;
 - ongoing low footfall within the Victoria Centre Market due to the ongoing effects of lockdown and a declining market environment;
 - taxi drivers continuing to experience a reduction in sales due to lockdown and a lower hospitality and business market. While self-employment support helped

with wage subsidy, additional costs of cleaning, screens, etc., were not supported;

- high levels of vacancy within the city centre, particularly surrounding the Broadmarsh area;
- low new business start-up rates within the city; and
- businesses experiencing significant recruitment and skills issues within the city.

1.5 These proposals are therefore intended to provide a framework for the distribution of the remaining grant allocation, to enable the Council to continue to remove barriers to business survival and growth, therefore safeguarding jobs and supporting the local economy.

1.6 The grant will be administered through an application process in line with the Government's eligibility criteria, but will target the sectors or groups identified within the priorities with specific amounts tailored to their needs and a capped number of grants available as outlined in the table below.

1.7 Due to the need to support some sectors quickly, the framework for Taxi Drivers and the Victoria Centre Market has been agreed separately via a delegated decision.

Table 1: Breakdown of target sectors and funding amounts

Sector/Business Targeted	Grant amount	Capped at
<p>Taxi Drivers (agreed through Delegated Decision 4378, effective from 29/09/2021) To cover additional costs of cleansing and screens, etc., in addition to £400 payment already made</p>	£200	£320,000 (1600 grants*)
<p>Victoria Centre Market Traders and other similar traders (to be agreed through a separate delegated decision) Financial support for traders adversely affected by lockdown</p>	£17,350 (average grant dependent on rental)	£347,000 (20 grants)
<p>Employment and Skills Organisations To enable the provision of employment and skills support to businesses and residents in the city</p>	£20,000	£600,000 (30 grants)
<p>Vacant Shops Grant Continuation of previous scheme, providing grants to independent retailers opening a new city centre retail unit</p>	£5,000	£250,000 (50 grants)
<p>New Business Start Up fund Financial support to enable the</p>	£2500	£250,000 (100 grants)

start-up and survival of new businesses		
	Total	£1,767,000

*The Taxi Drivers scheme is based on applications from the cohort of available licences in the city. Previous schemes generated 1600 responses from live valid taxi drivers.

- 1.8 The remaining allocation of £33,000, and any allocation out of the above not spent, will be available to other businesses who are able to demonstrate they are still adversely affected by Covid-19 under the existing grant scheme regulations and have not received other grants already.

2 Background (including outcomes of consultation)

- 2.1 The ARG is a discretionary grant allocated to the Council to support the economy by providing direct support to businesses. The Council has local discretion to direct the grant spend.
- 2.2 This may primarily take the form of discretionary grants, but local authorities can also use this funding for wider business support activities.
- 2.3 ARG funding should not be used as a wage support mechanism, for capital projects that do not provide direct business support, or to fund projects whereby local authorities are the recipients.
- 2.4 The principles of the local discretion applied are:
- to support businesses impacted by Covid-19 (the primary purpose of the ARG fund) not covered by other grant schemes; and
 - to support the Economic Development agenda priorities as identified within the Council Plan and the Nottingham Economic Recovery and Renewal Plan.
- 2.5 The funding must be spent by 31 March 2022.

3 Other options considered in making recommendations

- 3.1 Other options reviewed and excluded were:

To refuse the funding: this option was rejected as the funding will directly support businesses to recover from this difficult period and will positively impact upon the ability of our economy to recover post Covid-19.

To add to the funding to create a larger fund: this option was rejected as there is no obvious source of extra grant funding available.

4 Finance colleague comments (including implications and value for money/VAT)

- 4.1 The funding received of £1,800,000 will be allocated on the approved framework basis, which aligns to the guidance issued by the Government.
- 4.2 The deadline for utilising this funding is 31 March 2022.

4.3 The risks associated with this grant are:

- Fraudulent claims: this will be mitigated by applying processes and procedures to the allocation of the grant.
- Under-utilisation: this will be mitigated by ensuring timely monitoring is in place that will facilitate further application opportunities and consultations with businesses to maximise the grant.

Advice provided by Ceri Walters, Head of Commercial Finance, on 30 September 2021.

5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

- 5.1 The decision is asking for the Additional Restrictions Grant fund be allocated and spent as set out in this report. This is not a policy document, but rather an approval as to how the funding will be ring-fenced against those different categories of businesses. This is a discretionary grant, but the Council must ensure that it is allocated within any funding principles. Allocation of grant funding is likely to amount to a subsidy and, therefore, if advice has not been taken already as part of the acceptance of the funding, it should be sought before any allocation is made. In addition, there should be clear guidance prepared and made available to those who wish to submit an application and the basis on which the Council will assess and evaluate the same. Should any conditions be attached to an awarded grant then appropriate terms should be drafted and issued with any award letter/confirmation.

Advice provided by Naomi Vass, Team Leader – Commercial Employment and Education, on 17 September 2021.

6 Strategic Assets and Property colleague comments (for decisions relating to all property assets and associated infrastructure)

- 6.1 Not applicable.

7 Social value considerations

- 7.1 Not applicable.

8 Regard to the NHS Constitution

- 8.1 No applicable.

9 Equality Impact Assessment (EIA)

- 9.1 An EIA is not required because the report does not represent proposals for a new or changing policy, service or function. Further, reporting of all grants to businesses is covered under the Council's existing Equality Reporting Framework.

10 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

10.1 None.

11 Published documents referred to in this report

11.1 None.