

<p>CITY OF WOLVERHAMPTON COUNCIL</p>	<p>Individual Executive Decision Notice Cabinet (Resources) Panel</p>
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Report title	Additional Restriction Grant Schemes June 2021	
Decision designation	GREEN	
Cabinet member with lead responsibility	Councillor Stephen Simkins Councillor Deputy Leader: Inclusive City Economy	
Wards affected	(All Wards);	
Accountable Director	Richard Lawrence, Director of Regeneration	
Originating service	Revenue & Benefits & City Economy	
Accountable employee	Isobel Woods	Head of Enterprise
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Report to be/has been considered by	Directorate Leadership Team	
	Strategic Executive Board	21 May 2021
	Portfolio Member for City	26 May 2021
	Economy Member Briefing	

Summary

On 9 November a Special Urgent Decision delegated authority to agree the distribution of discretionary business grants to the Cabinet Member for Resources and the Cabinet Member for City Economy in consultation with the Director of Finance and the Director of Regeneration in line with Government guidance.

This report seeks approval, under this delegation, to introduce a new suite of Wolverhampton local business support grant schemes, using the remaining initial funds for Additional Restriction Grant (ARG) and to draw down additional ARG grant funds offered by government in April 2021.

Approval is also sought to build capacity in the Enterprise team, for new temporary roles who will assist with the delivery of the Relight business activity and to draw to a close the existing Additional Restriction Grant schemes which have been available since October 2020 and throughout Lockdown 3, by the end of June 2021.

Recommendation(s) for action or decision:

That the Cabinet Member for City Economy and the Cabinet Member for Resources, in consultation with the Director of Finance and Director of Regeneration:

1. Approve the proposed new grants funded by the Additional Restrictions Grant which will
 - a. Assist businesses and organisations not eligible for mandatory Restart Grant
 - b. Assist businesses, organisations, clubs and charities to undertake covid compliant measures, in line with public health requirements
 - c. Assist businesses who are on the Relight Business Support programme to invest in their business
2. Bring to a close the current ARG schemes which have been in place since October, to draw the schemes to a close by the end of June, in line with the mandatory guidance for grants
3. To appoint additional Business Development Officers to work with businesses as they begin to reopen and recover

Councillor Stephen Simkins
Deputy Leader for Inclusive Growth

Date: 7 June 2021

Councillor Ian Brookfield
Leader and Cabinet Member for Resources

Date: 7 June 2021

Richard Lawrence
Director of Regeneration

Date: 7 June 2021

Claire Nye
Director of Finance

Date: 7 June 2021

1. Background

- 1.1 In 2020 the council received £7.6million in Additional Restriction Grant (ARG) funding as part of the governments Covid business support measures. The council has used its discretion to ensure these funds have been able to assist businesses not eligible for the mandatory schemes.
- 1.2 At the current time £7.2 million of the £7.6 million ARG budget has been awarded to a range of businesses, community organisations, and voluntary groups across the city. This has brought much needed financial assistance during the periods of strict Covid measures. It is expected that we will reach £7.2 million before the end of May 2021.

2. Overview

- 2.1 To date the ARG team have paid over 2,170 applicants through a number of city-led schemes. These include a Taxi and Private hire scheme which saw £1.3 million of grant assist 882 drivers, and a Covid Staff Testing scheme working with colleagues in public health which saw £412,000 of grant support assist 305 businesses so that over 1700 employees receive regular testing.
- 2.2 There continues to be a steady number of enquiries still coming into the service, although numbers of new enquiries have dropped from around 150 a day to 20, for the existing ARG schemes. The team recognises the need to continue to provide financial assistance to businesses and ensure ARG funds are spent. However, the service is also mindful that as lockdown measures are easing, we also need to ease businesses reliance away from public grants.
- 2.3 The council needs to fully commit the current ARG funds (£7.6 million) by 30 June. As soon as this is achieved the city is entitled to claim an additional £1.3 million ARG. This would extend the council support to businesses until March 2022, or when funds are fully committed.

3. City Recovery and Customer Requirements

- 3.1 As the city begins its economic recovery, approval is sought to bring the existing ARG schemes to a close at the end of June 2021. This would be in line with the governments directive which asks that all mandatory schemes close at this time. The current and additional ARG funds will be used to support the existing schemes until these close and contribute to the new initiatives presented in section 4.
- 3.2 Ahead of the existing schemes closing in June 2021, officers are recommending a number of new grants, supported by business advice and guidance, to be in place early June. The focus, to assist businesses in the city who are reporting to officers that:
 - They need help to ensure they are Covid compliant
 - They still have challenges with cashflow as they start to rebuild trade.

- They need support to make investments into their business to adapt and meet new market requirements.

4. New Grant Schemes

4.1 The three new business grant schemes have been developed with the following principles in mind:

- Ensure the council can support as many businesses as possible through Covid business support grants
- Bring confidence and reassurance to customers and clients returning to businesses and their premises
- Support the recovery of businesses, build resilience and kick start the recovery of the city's economy.

4.2 1. Covid Compliant Scheme

4.3 The purpose of this grant is to offer help businesses, community organisations, sports and social clubs, independent traders, sole traders to invest in Covid safe practises. This grant will be awarded in conjunction with the advice and guidance from Covid Compliant Team and other members of the Environmental Health Service. Businesses will receive a Covid Safe Sticker to demonstrate to customers and clients, they are compliant.

4.4 Grant, to assist towards the cost of implementing the Covid measures as agreed with the Environmental Health Team

- £500 to businesses or organisation with 5 or less employees or volunteers that work or are based in Wolverhampton
- £1000 to businesses or organisations with 6 or more employees or volunteers that work or are based in Wolverhampton

4.5 The level of grant will be awarded based on whether the organisations or business has already had contact and a visit by Environmental Health officers.

- If the business or organisation has already received a visit that can be verified, then 100% of the grant will be paid, subject to all information being correct.
- If the business or organisations has not made contact, 50% of the grant will be paid, subject to all information being correct. The remaining 50% will be paid following a visit from Environmental Health officers.

4.6 2. Wolverhampton Restart Support

4.7 The purpose is to create a local programme to support businesses, organisations and groups not eligible for the mandatory Restart scheme. The city's local scheme to be based on a similar set of criteria used during previous rounds of ARG, subject to proof of consequent Covid loss.

4.8 The aim to support a wide range of businesses, including voluntary organisations and community groups. It would follow on from the existing scheme eligibility and therefore most, if not all, of the recipients are already known to the team. It would also give the council the best route to achieve maximum grant spend.

4.9 The scheme would offer a one-off payment to a business or organisation using two features which will determine the level of grant they receive

1. The level of rate liability or fixed costs value
2. The organisation or sector of the business

4.10 Based on these features the following grant value is proposed

Restart Grant Discretionary Scheme (RGDS) (Demonstrate consequent Covid loss)		
Rateable Value (RV) and Fixed Costs (FC)	Strand One : One-off amount for organisations, community groups, charities and retailers that have not been eligible for the mandatory scheme and/or do not have the rates liability	Strand Two One-off amount for hospitality, accommodation, leisure, personal care, and gym business premises that have not been eligible for the mandatory scheme and/or do not have the rates liability
No Fixed Costs such as Home Based business	£500	£500
For properties with RV or FC of £15,000 or under as follows:		
Up to £5,000	£900	£2,700
£5001 to £10000	£1,800	£5,400
£10001 to £15000	£2,667	£8,000
For properties with RV or FC over £15,000 and below £51,000	£4,000	£12,000
For properties with RV or FC of £51,000 and over	£6,000	£18,000

4.11 Where a business has multiple locations but only one bank account it is proposed that the cumulative value of either the fixed costs or the rateable liability is used to calculate the level of grant.

4.12 **3. Relight Business Support Grant**

4.13 Purpose, to offer a grant to support the city's business on the Relight business programme. The grant would enable SME businesses to undertake small investments as recommended by the Relight business support, to assist with resilience and recovery. Some of the funds would be matched with a current ERDF grant programme to maximise

external funds. The programme will build in flexibility to ensure it can support all businesses - those who trade directly with consumers (non-ERDF compliant) and those who trade with other businesses.

- 4.14 Based on the growth plan received from the Relight Business Programme a business can apply for a maximum grant of £5,000 to invest in equipment and services. This would be subject to checks and assurance from the new Restart Business Support Team
- 4.15 Officers are proposing to create a scheme to the value of £480,000, using match funding from the current ERDF project AIM for GOLD of £120,000 and to allocate £360,000 from ARG.
- 4.15 To support the delivery of the city's relight business activity, working alongside the grants team, the service has identified a need to create a small team of business advisors. It is proposed to create 3 new posts at a Grade 6 scale, total costs in the region of £120,000, to be funded from the ARG budget (approx. 1.5 % of the total ARG budget). These would be temporary posts until the end of March 2022, filled either through secondments or Yoo Recruit.

5.0 Evaluation of alternative options

- 5.1 The criteria identified for the ARG scheme has been set to enable all businesses, organisations, groups and charities to apply where they can show a consequent Covid-19 loss. If there was a restriction in the type and/or size of business who could apply, then this could be considered as unfair exclusion
- 5.2 Over the past 14 months officers have been allocating grants funds based on the business status and address. As Wolverhampton starts to emerge from national lock down measures the city is looking to build sustainment in the local economy. For Covid Compliance and Relight the approach is to provide wrap around support so that public funds can be more meaningful and aligned to the safety and recovery of the city.

6.0 Reasons for decision

- 6.1 The Council has legal and moral duties in relation to a number of aspects arising from Covid-19. This decision gives the authority to provide grant support to businesses fully funded by additional grant from Government against a set criteria.

7.0 Financial implications

- 7.1 Government have announced additional funding to help support businesses as the UK starts to emerge from national lockdown measures, in line with Government guidelines or have suffered a consequent loss as a result of COVID-19.
- 7.2 This includes the additional restrictions grant of £7,606,554, of which this scheme proposes to use £480,000 and a further £120,000 will be match funded through the Aim for Gold project

- 7.3 This report seeks to deliver the grants scheme as outlined in section four of the report, which will be funded through the Additional Restrictions Grant.
- 7.4 This report seeks to recruit temporary posts in order to deliver the scheme at a cost of £120,000 which will be funded through the Additional Restrictions Grant.

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8.0 Legal implications

- 8.1 The Council must comply with terms of the Additional Restrictions Grant and the guidance issued by Government. The Council will take steps to ensure that the rules in terms of State Aid, as set out in the Government Guidance document https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/988665/restart-grant-la-guidance.pdf

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9.0 Equalities implications

- 9.1 There are no equalities implications arising from the recommendation in this report.

10.0 Climate change and environmental implications

- 10.1 There are no climate change or environmental implications arising from the recommendation in this report.

11.0 Human resources implications

- 11.1 Additional resources have been requested from redeployment to assist with the delivery of the scheme. The project has also approached Yoo Recruit to identify potential personnel should we have a need to fill roles.

12.0 Corporate Landlord implications

- 12.1 There are no corporate landlord implications arising from the recommendation in this report.

13.0 Health and Wellbeing Implications

- 13.1 There are no health and wellbeing implications arising from the recommendation in this report.

14.0 Covid Implications

- 14.1 The approach set out above seeks to address the Covid-19 impact on businesses affected by recent public health measures.

15.0 Schedule of background papers

15.1 Urgent decisions relating to November lockdown and budget decisions related to Council actions as result of Covid-19

<https://wolverhampton.moderngov.co.uk/ieDecisionDetails.aspx?ID=5571>