

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Strategic Environment Cabinet Committee

Date: 27 September 2021

Reporting officer: Assistant Director (Communities)

Subject: Economic Stimulus

Purpose and summary of report:

To provide an update on progress with the Economic Stimulus package which was agreed at Full Council in February 2021.

Recommendations:

1. That the Committee reflect on progress with the economic stimulus package and comment on next steps.

1. INTRODUCTION

- 1.1 An economic stimulus package of measures was presented to Full Council in February 2021 as part of the budget setting report. These measures support business recovery in response to the impact of the Coronavirus pandemic. A copy of the report can be found within the [agenda papers](#) for that meeting.
- 1.2 The majority of these measures were to be funded out of the £3,088,725 of Additional Restrictions Grant allocated to Gravesham as part of the Government's financial support to businesses. At that time that funding was available for expenditure up to the end of March 2022.
- 1.3 Later in February, the Government published its 'roadmap' for a step-by-step easing of Covid-19 restrictions in England. Then in March they announced additional Restart Grants for businesses as they reopened and in April they revised guidance on business grants, including Additional Restrictions Grant.
- 1.4 The revised guidance reaffirmed the use of Additional Restrictions Grant to support businesses which do not pay business rates; that have not received wider grant support; and, are from all sectors that are severely impacted by restrictions. A new requirement was placed on local authorities to make a 'validated attempt to defray' 100% of their allocated Additional Restrictions Grant funding by 30 June 2021. This was subsequently extended to 31 July 2021 as a result of a delay in the reopening of businesses under the 'roadmap'. If 100% of ARG could be defrayed an additional 'top-up' of Additional Restrictions Grant funding would be forthcoming. For Gravesham, this would mean an additional allocation of

£692,120, which would be a significant help in extending and supplementing planned economic stimulus activity.

2. ECONOMIC STIMULUS PACKAGE PROGRESS

- 2.1 The requirement to defray 100% of allocated Additional Restrictions Grant proved challenging, but was met and it is now timely to review progress with the economic stimulus package and to agree modifications in the light of receipt of the additional 'top-up' payment, made 27 August 2021.
- 2.2 February's report to Council took account of Additional Restrictions Grant expenditure made by that date and an estimate of further payments to businesses, on a par with Local Restrictions Support Grant, based on an assumption for how long restrictions would continue. Approximately £2,300,000 remained to be allocated and this was achieved through a combination of additional payments to businesses, equivalent to Restart Grant payments, and grants to businesses and eligible community organisations severely impacted by the pandemic. Other grants proposed within the economic stimulus package were put temporarily on hold with the view that they be funded from the Additional Restrictions Grant 'top-up'.
- 2.3 The following paragraphs outline progress with each element of the economic stimulus package agreed in February. A summary of funding allocations is included in paragraph 3.1.

Business Grants

- 2.4 Grants have been paid to businesses (outside the NDR system) that had to close and were not eligible for Local Restrictions Support Grants (LRSG). Additionally, payments were made to Additional Restrictions Grant applicants on a par with Restart Grants, within eligible sectors, and to businesses severely impacted.
- 2.5 A revised application process was put in place in May for a round of *Severity of Impact Grants* and businesses that had not benefited from other Covid grants and/or were of strategic importance to the Borough's economy were encouraged to apply. £650,000 had been set aside in the economic stimulus package to fund this grant, but given the imperative to spend 100% by the end of July, this was combined within a single application process with the community resilience/organisations grant which had been allocated £200,000.
- 2.6 A total of £614,875 was distributed by the end of July.
- 2.7 Government required an application process and collection of specific data in support of the distribution of Additional Restrictions Grant to businesses. The economic stimulus package had allocated £130,000 for *Licence Holder Grants* - for taxi drivers, licensed premises and Members' Clubs in Gravesham – equivalent to cost of licence fees for 2021/22. All eligible licence holders were individually invited and then reminded to apply, but applications totalling £62,095. There may be several reasons for why not all licence holders applied, including that they did not see the necessity to apply for what were relatively small sums compared with other financial assistance that was available (e.g. Self-employment Support Scheme, Local Restrictions Support Grant, Restart Grants, etc). Some potential applicants appeared unwilling to confirm the details of other grants they had received – a Government requirement under Additional Restrictions Grant.

- 2.8 The development of schemes related to Adaptation Grants (£200k allocated) and Business Start-up Grants (£150k allocated) commenced, but given the priority to allocate funds by the end July, these were placed temporarily on hold. They will now be progressed and funded from the Additional Restrictions Grant 'top up' allocation.

Business Support Activity

- 2.9 £45,000 was allocated in the economic stimulus package to contribute to the funding of the Kent & Medway Growth hub in 2021/22 in response to a request was received to do so from available Additional Restrictions Grant allocations. That sum is no longer required as KCC agreed to cover the cost from its Covid-related expenditure. This sum can therefore be reallocated to other activity.
- 2.10 £45,000 was allocated to 1-2-1 support for businesses and that can be taken forward via the Additional Restrictions Grant 'top-up'.
- 2.11 £10,000 was allocated for procurement workshops for local businesses on how to work effectively with the Council and the wider public sector. This is in the process of being put in place and can be funded from the Additional Restrictions Grant 'top-up' by 31 March 2022.

Town Centre Recovery

- 2.12 The economic stimulus package proposed the preparation of a Town Centre Recovery Plan to be funded from Reopening High Streets Safely Funding (£15,000). The Retail Group were commissioned to undertake this work and an action plan has been prepared. Priority actions are being discussed.
- 2.13 £94,000 was allocated to Gravesham from Reopening High Streets Safely Funding and to date £56,000 has been claimed. This funding has now been extended and combined with Welcome Back Funding (a further £94,000) and the remaining funds (£132,000) can provide a budget for expenditure to deliver elements of the Recovery Plan by the end of March 2022.
- 2.14 £100,000 was allocated to provide grants to bring vacant retail premises into active use. Discussions are taking place with agents in respect of potential premises for this. Grants will need to be paid direct to businesses as opposed to landlords and these can be funded from the Additional Restrictions Grant 'top-up'.
- 2.15 The vacancy rate within the Town Centre is currently 12.5% and there are specific clusters of vacant premises where these grants could be focused to make greater impact, including getting units back into permanent or interim use. It is also an opportunity alongside the Welcome Back Funding to assess whether there are vacant premises within local centres that would benefit from grants.

Unemployment Response

- 2.16 The Council made an earlier commitment to participate in the Government's Kickstart Scheme and to provide 34 work placements for young people for a period of 6 months. This is funded directly from Department of Work and Pensions. Positions are currently being advertised to potential candidates via the new Jobcentre in New Road, interviews are taking place and the first placements will be in position shortly. The Council has recently appointed an Employability Co-ordinator to progress this scheme and is matching potential Kickstart candidates with placements within the Council. They will also be supporting the

Council's apprenticeships, career graded posts and other work experience opportunities.

- 2.17 The economic stimulus package proposed use of 25% (£18,750) of the Council's Apprenticeship Levy Funds to enable other local employers to take on apprenticeships and helping to boost apprenticeship numbers within the Borough. This is not dependent on Additional Restrictions Grant and will be taken forward alongside the above employability initiatives.

Community Resilience Activity

- 2.18 The Economic Stimulus Package allocated £200,000 to community organisations, working within a business model. This was combined within the single Severity of Impact application and £185,000 was spent by the end of July 2021. There is potential for some additional applications to be funded from the Additional Restrictions Grant 'top-up'.

Growing Sectors

- 2.19 £20,000 was allocated as an incentive to make use of space within the St George's Arts & Cultural Hub. This will need to take place once the hub is open and funded from the Additional Restrictions Grant 'top-up'.
- 2.20 £25,000 from other (non- Additional Restrictions Grant) budgets was proposed in the economic stimulus package for development of a 'digital hub', including access to higher broadband capability. This has been incorporated within the Council's bid for UK Community Renewal Funding, the outcome of which is awaited.
- 2.21 Development of digital skills was identified in the economic stimulus package. There are a number of existing strands of funding that the Council has to take actions forward, including GoTrade funding and a proposal within the UK Community Renewal Fund bid). Numerous initiatives are becoming available to support this area and officers will align with those and widen access to such skills development, where feasible.

3. PROPOSAL FOR SPEND OF ADDITIONAL RESTRICTIONS GRANT

- 3.1 100% of the originally allocated Additional Restrictions Grant was spent by the end of July 2021. The remaining priorities for spend from the Additional Restrictions Grant 'top-up' are as follows:

<i>Economic Stimulus Work-stream</i>	<i>Original ARG Allocation (as at Feb 2021)</i>	<i>ARG Expenditure to date (End July 2021)</i>	<i>ARG 'Top-up'</i>
Additional Restrictions Grant – original application/ ongoing payments	£700,000	£2,138,030	
Severity of Impact Grants	£650,000	£614,875	
Grants to Licence Holders	£130,000	£62,095	
Adaptation Grants	£250,000		£250,000
Business Start-up Grants	£150,000		£150,000
Kent & Medway Growth Hub	£45,000	£0	£0
1-2-1 Support	£45,000		£45,000

Procurement Workshops	£10,000		£10,000
Vacant Retail Units Grant	£100,000		£100,000
Community Organisations Grant	£200,000	£185,000	£15,000
Creative Sector Support	£20,000		£20,000
<i>Total</i>	<i>£2,300,000</i>	<i>£2,300,000</i>	<i>£590,000</i>
<i>ARG – Potential ‘Top-up’</i>			<i>£692,120</i>

- 3.2 There needs to be some flexibility in how these sums are distributed in practice as they are to a great degree dependent on ‘take-up’ by businesses. However, £102,120 of the Additional Restrictions Grant ‘top-up’ remains unallocated at this stage. It is proposed that that sum is allocated to making additional grants to businesses and or community organisations severely impacted.

4. BACKGROUND PAPERS

- 4.1 There are no background papers pertaining to this report.

Anyone wishing to inspect background papers should, in the first place, be directed to Committee & Electoral Services who will make the necessary arrangements.

IMPLICATIONS	APPENDIX 1
Legal	Legal implications of the use of Additional Restrictions Grant is in accordance with Government requirements and are covered as part of the grant verification and payment process.
Finance and Value for Money	A 'validated attempt' to use 100% of Additional Restrictions Grant Funding was achieved and the 'top-up' is required to be spent by 30 June 2022. The funding is provided as a Section 31 Grant and intended to be directed by the council to support businesses in line with the Additional Restrictions Grant Guidance issued by Government.
Risk Assessment	It is vital that the available Additional Restrictions Grant funding is directed to business support activity which is going to provide the protection and stimulus required to ensure the local business economy in Gravesham can be sufficiently sustained and recover from the pandemic.
Data Protection Impact Assessment	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner's Office website via the above links.</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk.</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer.</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
Corporate Plan	#Place
Climate Change	The adaptations grant could support some businesses in the achievement of their net-zero targets.
Crime and Disorder	No implications.

Digital and website implications	Supporting communications activity is being undertaken to promote the current Additional Restrictions Grant schemes and an online application form is available on via the Council's website.
Safeguarding children and vulnerable adults	No implications.