

## POLICY AND RESOURCES COMMITTEE - 6 DECEMBER 2021

### PART I - DELEGATED

#### 12. PROPOSALS FOR SPENDING OF THE ADDITIONAL RESTRICTIONS GRANT (ARG) (DCES)

##### 1 Summary

- 1.1 The Additional Restrictions Grant (ARG) is Central Government funding provided to local authorities to enable them to support businesses through and as they recover from the pandemic.
- 1.2 An initial award of funding (£1.8 million) was received by TRDC in October 2020. These monies had to be spent (or committed) by July 2021 in order for an additional amount of funding to be received.
- 1.3 TRDC received further ARG funding in the autumn of 2021 totalling £829,000. These monies have to be spent (or committed) by 31 March 2022 otherwise the money is returned.
- 1.4 This report identifies a number of projects to support businesses and the economy in TRDC and seeks agreement for the ARG funding to be committed to these projects. This will enable the projects to commence and businesses to be supported.

##### 2 Details

- 2.1 The ARG funding was introduced to provide direct business grants and wider business and economic development support.
- 2.2 Enhanced business support settlements were first provided to areas entering Tier 3 restrictions for the first time from 14 October 2020. With the 31 October 2020 announcement that national restrictions would be reintroduced, the scheme was extended and formalised into the Additional Restrictions Grant to support all Local Authorities or Combined Authorities.
- 2.3 In October 2020 Three Rivers were provided ARG funding of £1.8 million pounds. These monies had to be committed/spent by July 2021 in order for the Council to be eligible for a further round of funding.
- 2.4 At the time of the first round of funding, infection rates were increasing and the Council's work was focused around the continued provision of its services. Whilst there was ongoing direct business support funding being provided through this ARG funding during the early part of 2021, the identification of projects and spend of the remaining monies became more urgent as July 2021 neared and subsequently the spend of this funding was agreed through an urgent decision by the Leader and the Group Leaders.
- 2.5 Some of the main projects identified and commenced as this time are detailed below and have included a range of partners and organisations. Funding was provided as grant funding:
  - Funding provided to Herts Growth Hub to focus on SMEs with high growth potential or a mixture of those businesses and smaller SME's that may not have qualified for funding under government funded schemes. Grants made available.

- Recruitment of a temporary Economic Development Consultant to develop a Health Check/toolkit for businesses involving High Street surveys, pop up business support hubs, webinars with a formal report and recommendations for action to support businesses and further revive the High Streets
- Provision of an Economic Development Strategy to support economic growth in TRDC as businesses emerge from the pandemic
- Direct award of grants to a range of businesses (grants awarded in excess of £1 million)
- Community grants for charities with a business element
- Sustainable travel projects to support businesses with employers/employee travel including Green Travel Planning initiatives and provision of real time bus information at 13 bus stops in TRDC.
- Business support for SMEs and start ups involving business mentoring
- External support provided to the Three Rivers Chamber of Commerce
- Tourism campaign supporting tourism based businesses

2.6 The additional funding of £829,000 is currently to be committed/spent by 31 March 2022. If monies remain after this date they will have to be returned.

2.7 In terms of identifying projects for this additional funding Officers have considered how they can support businesses across Three Rivers as they recover from the pandemic. Some of the identified projects build on the success of the existing ARG projects, in addition to identifying support to other areas of the business community. Some of the projects provide indirect business support which will improve the conditions for businesses such as training opportunities and improving travel options for employers and employees. The proposed projects (to date) and potential spend are detailed at **Appendix 1**.

2.8 One aspect of the ARG work is the staffing resource required to identify, deliver and project manage both the funding and the individual projects. A Project Assistant is identified as part of the current proposals to further support Officers with this work. This resource would only be available until 31 March 2022.

2.9 The projects identified still leave some funding available. There are ongoing discussions with organisations to identify further projects. It is proposed further decisions are delegated to the Director of Finance in consultation with the Leader and Lead Member of Resources and Shared Services.

### **3 Options and Reasons for Recommendations**

3.1 Option 1: to agree for Officers to progress the identified projects and funding, subject to any appropriate processes such as procurement requirements. This will enable the projects to be secured, commenced and further businesses in TRDC supported with ARG funding by 31 March 2022.

3.2 Option 2: to delete any of the identified projects and funding and then approve an agreed list for Officers to progress, subject to any appropriate processes such as procurement requirements. This will enable the projects to be secured, commenced and further businesses in TRDC supported with ARG funding.

3.3 Option 3: to refuse the identified projects and funding which would then be returned as it cannot be spent prior to April 2022.

#### **4 Policy/Budget Reference and Implications**

4.1 The recommendations in this report are not within the Council's agreed policy and budgets. This is Government funding to support businesses through and beyond the Covid pandemic. Clear guidance exists on how these monies should be spent to support businesses, both directly and indirectly.

#### **5 Equal Opportunities, Environmental, Community Safety, Public Health, Customer Services Centre, and Health & Safety Implications**

5.1 None specific.

#### **6 Financial Implications**

6.1 The Additional Restrictions Grant is Central Government funding provided to Local Authorities to support businesses during, and as they recover, from the pandemic. The first round of funding of £1.8 million had to be spent or committed by July 2021. This was achieved and a further tranche of funding (£829,000) given to TRDC.

6.2 The guidance is clear that if the monies are not spent or committed by 31 March 2022 they will be returned. This date may change but there have been no recent announcements.

6.3 Further monies remain in the ARG fund and Officers will continue to work to identify any further projects.

#### **7 Legal Implications**

7.1 Central Government guidance has been produced which clearly details how and when the ARG fund can be spent. Regard is had to this Government guidance. Government returns are expected.

#### **8 Equal Opportunities Implications**

8.1 Relevance Test

Has a relevance test been completed for Equality Impact?	No
Did the relevance test conclude a full impact assessment was required?	N/A

#### **9 Staffing Implications**

9.1 The work of identifying projects and subsequent project management has been undertaken by existing Officers within existing budgets and on top of existing work programmes. Officers will continue to support these projects, however a short term staffing resource is now required to lead on these. Without the additional resource, Officers may not achieve the outputs detailed in **Appendix 1**.

## 10 Communications and Website Implications

- 10.1 The TRDC Communications team have worked with Officers delivering the ARG funding and our partners to promote the existing projects. They will continue to support these and other projects to ensure projects and opportunities are communicated widely both internally and externally.

## 11 Risk and Health & Safety Implications

- 11.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.
- 11.2 The subject of this report is covered by the 2022-2025 Regulatory Services, Community Partnerships and Economic Development and Sustainability Service Plans. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this/these plan(s).

Nature of Risk	Consequence	Suggested Control Measures	Response <i>(tolerate, treat, terminate, transfer)</i>	Risk Rating <i>(combination of likelihood and impact)</i>
Remaining ARG funding is not spent or committed by 31 March 2022	<p>Monies have to be returned.</p> <p>TRDC businesses are not supported</p> <p>Negative perception of the Council</p>	<p>Early identification of projects</p> <p>Relevant processes in place to agree funding.</p>	Treat	3-6

- 11.3 The above risks are scored using the matrix below. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood scores 6 or less.

Very Likely Likelihood ▼	<b>Low</b> 4	<b>High</b> 8	<b>Very High</b> 12	<b>Very High</b> 16
	<b>Low</b> 3	<b>Medium</b> 6	<b>High</b> 9	<b>Very High</b> 12

	<b>Low</b> <b>2</b>	<b>Low</b> <b>4</b>	<b>Medium</b> <b>6</b>	<b>High</b> <b>8</b>
	<b>Low</b> <b>1</b>	<b>Low</b> <b>2</b>	<b>Low</b> <b>3</b>	<b>Low</b> <b>4</b>
	<b>Impact</b>			
	<b>Low</b> -----> <b>Unacceptable</b>			

**Impact Score**

4 (Catastrophic)

3 (Critical)

2 (Significant)

1 (Marginal)

**Likelihood Score**

4 (Very Likely (≥80%))

3 (Likely (21-79%))

2 (Unlikely (6-20%))

1 (Remote (≤5%))

11.4 In the officers' opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of the management of operational risks is reviewed by the Audit Committee annually.

**12 Recommendation**

12.1 For the Committee to agree the following:

i) Option 1: for Officers to progress the identified projects and funding, including the Project Support Officer, subject to any appropriate processes such as procurement requirements. This will enable the projects to be secured, commenced and further businesses in TRDC supported with ARG funding.

AND

ii) To delegate any further decisions for the spending of ARG funding to the Director of Finance in consultation with the Leader and Lead Member for Resources and Shared Services, to ensure monies are committed/spent by 31 March 2022.

Report prepared by: Kimberley Rowley, Head of Regulatory Services

**Data Quality**

Data sources:

Additional Restrictions Grant: Guidance for Local Authorities

Data checked by: Kimberley Rowley

Data rating:

<b>1</b>	<b>Poor</b>	
<b>2</b>	<b>Sufficient</b>	<b>X</b>

3	High	
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**Background Papers**

Not applicable

**APPENDICES / ATTACHMENTS**

Appendix 1: ARG identified projects and spend